- Fancy titles, little power: An insider looks at typical jobs in the White House
- Tom Wicker on H.L. Mencken
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The Washington Monthly

JANUARY/FEBRUARY 1993/$3.50

How Washington Really Works

by Charles Peters

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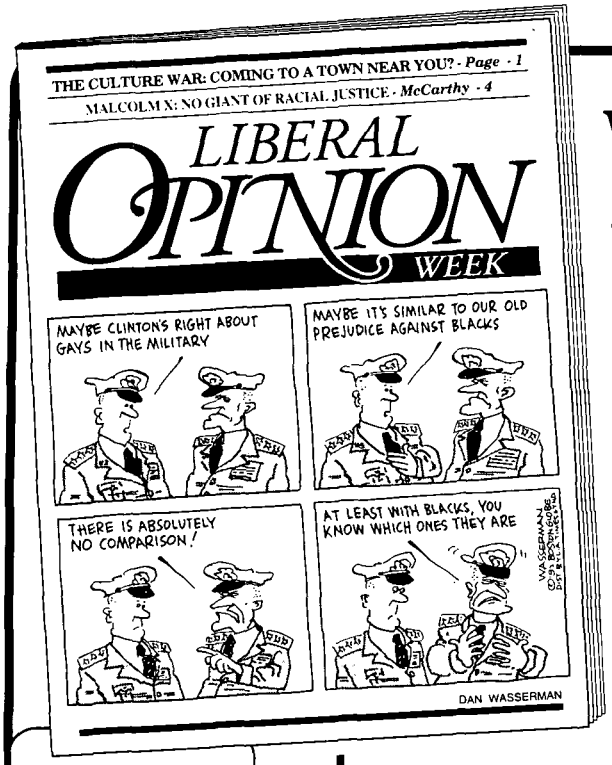

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LETTERS

No merci

The article "Gays in Arms," [Eric Konigsberg, November] an interesting and well-documented piece, contains one startling paragraph, particularly since it adds nothing to the argument, and tries to strike a humorous note about the "respectable showings" of various armies in the past which do not discriminate against homosexuals today.

The informed reader is bound to wonder what Konigsberg was referring to when he wrote that "the last time France made a respectable showing, Toulouse-Lautrec was still alive." I have to assume the writer was not thinking of the war of 1870—the painter was in fact "still alive," being six years old at the time! So I fear that in an effort to be funny at the expense of the French army, Konigsberg has unwittingly betrayed his own ignorance of the historical facts. When the Great War broke out in 1914, Toulouse-Lautrec had been dead for 13 years and by 1918 more than a million and a half French soldiers had given their lives "in making a respectable showing."

I do not wish to sound indignant about a reference intended to be humorous and I will not list the many achievements of the French armed forces since the rather curious reference date—1901, the death of Toulouse-Lautrec—chosen for the article. The right to irony should be respected. Moreover, France is not the only country brought into question by the license that has been taken with history. I don't know how the Canadians and Australians feel when they read in your magazine that they have never counted; they counted their dead by the thousands as they fought, under General Eisenhower's command, to liberate France and Europe from Nazi oppression (not to mention their participation in World War I).

In short, in an attempt at humor, Konigsberg has distorted the historical facts—there is nothing funny about that—and weakened his case by trying to prove too much.

JEAN MENDELSON
Washington, D.C.
Mr. Mendelson is counselor of press and information for the Embassy of France.

Reality check-up

"Share the Health" [Stephanie Mencimer, October] reflects an unfortunate misunderstanding of the role of physician assistants on the health care team. The author deplores the fact that at an HMO ". . . it takes three weeks . . . to get an appointment to see a physician's (sic) assistant" whereas to see "a full-fledged gynecologist" takes two months. Should the author need the care of a gynecologist, the physician assistant (PA) would have her evaluated by one immediately. This is how PAs increase access to care.

It's interesting the author contrasts this implied second-tier care with the care received by the White House staff. White House medical staff includes physician assistants.

JUSTINE STRAND, PA
Austin, Texas

Reform school controversial

While Katherine Boo's article ["Reform School Confidential," October] lays out some painful truths, it was not balanced and does not acknowledge any of the successful things that have happened in Rochester's reform efforts.

Boo's assertion that Rochester "threw" money at the problem is not quite fair. Rochester teachers' average pay is over $250 per day based on a contractual 189-day year. Some argue that this is too much, others say it is not enough. While many resent their pay, most parents here are more concerned with ensuring educator accountability and paying contingent on performance than we are with current salaries. Pay for teachers six years ago was woefully low and should have been addressed. Rochester's pay increases, however, were used as a motivator for increased performance. Studies, borne out of practice, have shown that money is not a motivator for sustained increased performance, so it should not have been a surprise when nothing changed.

It's too bad that Boo did not take the time to find out and report that the Rochester community has learned a lot from the successes as well as the failures of our reform efforts, and we are forging ahead to make *real* educational reform a reality that America can indeed look upon as a model.

MARVIN JACKSON
Rochester, NY
Mr. Jackson is President of the Rochester City School District Parent Council.

Noncognizant Congress

Katie Hickox's article, "No Truth, No Consequences" [November] is fine as far as it goes, but the lack of sworn testimony is not the major problem with congressional hearings and investigations.

The major problem is that many, if not most members of Congress, even the lawyers, do not have the knowledge and experience which would enable them to ask the hard questions of witnesses. That is a fact they would never admit, either in public or in private. As a result, a large number of hearings are "scripted events." The prospective witnesses are required to submit written testimony in advance of the hearings; committee staff members then go through the submissions and prepare questions, generally to make their member look good. But when the member runs out of the prepared questions, he or she doesn't know what to ask next.

Government would be much better served if the committee had a prosecuting attorney type to do all the questioning of all witnesses.

J. WARREN McFARLAND
Winter Springs, Florida

The editors reply:

You're right about the dumb questions. (See "'Legislate? Who Me?' What Happens to a Senator's Day," James

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Boyd, February 1969.) But we're right about the importance of the oath.

Maine mangled

Betsy Wagner and David Bowermaster in "B.S. Economics" [November] in one brief paragraph mangle several critical facts about the University of Maine system.

Contrary to the authors' assertion, neither our (unpaid) Board of Trustees nor any University of Maine System administrator "defied the law" that mandated a 5.5 percent salary cut for individuals making more than $50,000.

The law provoked considerable resentment as it was perceived by many to target some individuals while sparing others (it excepted members of bargaining units, nearly all of whom were faculty members). That is, earning more than $50,000 was judged as excessive only if one did not belong to a union. Nevertheless, on January 27, 1992, the Board of Trustees voted reluctantly to implement the 5.5 percent salary reduction. And, on May 18, 1992, pursuant to still another state law, the Board voted to implement a 5 percent cut for the same employees for the fiscal year that began July 1, 1992.

Prior to the round of selective salary-cutting, the State of Maine awarded its employees 7 percent pay raises and most University employees (partly through union votes) received 3.5 percent, administrators included.

Since January 1990, faculty ranks have been reduced by 7 percent while administrators have been cut by 11 percent.

KENT A. PRICE
Bangor, Maine
Mr. Price is assistant to the chancellor of the University of Maine System.

The authors reply:

Although the board of trustees did not "break the law," it did "defy" a provision of the state budget passed at the end of 1991 calling for a pay cut of 5.5 percent for all state employees making more than $50,000. According to a member of the state legislature, the board exploited a loophole in the law and ruled that the cuts did not apply to any university employees. The board's actions forced the legislature to pass a separate amendment to close the loophole and impose the cuts—which the university finally did, under duress, on January 27, 1992. We apologize if our choice of words was misleading. The board did not act illegally. It did act irresponsibly.

Brideshead eviscerated

Oxford "the spawning ground for *The Wealth of Nations*" ["Bill and Friends' Excellent Adventure," David Segal, December]? Not according to the *Encyclopedia Britannica*: "Graduating [from Glasgow University] in 1740, [Adam] Smith won a scholarship . . . to Oxford, where he stayed at Balliol College. Compared to the stimulating atmosphere of Glasgow, Oxford was an educational desert. His years there were spent largely in self-education. . . ."

LAWRENCE F. MANSFIELD
Indian Lake Estates, Florida

Delaneyied reaction

I must protest the outrageous, even libelous distortion and innuendo against my friend and book subject, Martin Delaney, as published in John Crewdson's response to my letter [December Letters]. Yes, Delaney is no longer executive director of the organization he founded, Project Inform. But contrary to every implication by Crewdson, Delaney gave up the executive director's title voluntarily, as he had long planned.

As for Crewdson's charge that Delaney misappropriated $150,000 in computer supplies donated by Burroughs Wellcome: Steve Wilson, who has taken Delaney's former title, told me "To say the money was used inappropriately was incorrect. There were a couple of disgruntled employees who were willing to believe the worst, and Crewdson was relying on them for the truth."

JONATHAN KWITNY
Cranford, New Jersey

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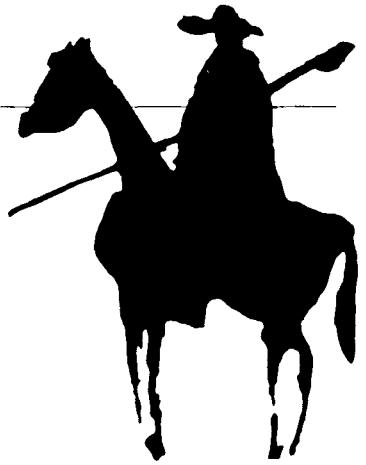
TILTING AT WINDMILLS



You may have missed the curiously contradictory editorials about Vernon Jordan that appeared on successive days in *The New York Times*. The first took a severe view of the conflict between his duties as co-director of the Clinton transition and his role as a director of RJR Nabisco, manufacturer of Camel cigarettes. The second seemed to say that, on second thought, Vernon Jordan is a splendid citizen. Is it possible that this about-face is related to the fact that the chairman of RJR Nabisco is on the board of *The New York Times*? I'm not that cynical, but I do think that the cigarette companies are evil and that neither Vernon Jordan nor *The New York Times* should be proud of their association with them. . . .

Bill Clinton's plan to give students a free college education in return for national service is, as we have pointed out, going to cost more than the nation can afford. Imagine piling the $60,000 it takes to keep a Peace Corps volunteer in the field for two years on top of the $100,000 cost of four years at Harvard. A possible solution: Make long-term loans for college conditional on having served. The recipient would still have to repay the loan, but, if he's given 40 years to do so with a bearable percentage of his annual income, the democratic objective—making higher education available without regard to the student's or his family's wealth at the time he enters college—would be attained. . . .

As parties are being given by and for the members of the new administration, I have a word of caution for the people who scrutinize the guests and hosts to determine who are likely to be appointees of the new administration. Often a leader in Clinton's position will use social recognition as a way to recognize those faithful supporters he does *not* intend to reward with important jobs. . . .

I am beginning to suspect history. What I mean is that history seldom gets right the events that I happen to actually know something about. One example is the West Virginia primary in 1960. It now seems to be accepted that the Kennedy forces stole the election with the help of the Mafia. I was head of the Kennedy campaign in the state's largest county. We gave $12,000 to one of the county's two main factions. The Humphrey forces gave $10,000 to the other. Those factions controlled the precincts where unsavory practices sometimes occurred. But such precincts were a minority in the county. Kennedy won the clean precincts by a substantial majority, having gotten little better than an even split in the organizations' precincts. The Mafia had no power in the county. Did it operate through the unions, as some suggest? No, the AFL-CIO supported Humphrey. I remember having had many long arguments with its president, who was a friend of mine, over the relative merits of our two candidates. Although the state's politics were far from pristine—in one county the Lever Brothers were identified not as the detergent manufacturers but as a local family that was especially adept at manipulating voting machines—I never heard any knowledgeable local politician contend that more than a few percentage points could be bought on a statewide basis. The final Kennedy margin in West Virginia was 60 to 40.

In other words, the accepted version of history is wrong. It is only true in one sense: I do believe if the election could have been bought, Joseph Kennedy would have tried to buy it. To the best of my knowledge what actually happened is that he spent not more than $300,000 where the average gubernatorial candidate at the time spent $500,000. . . .

A further observation on the subject. Although vote fraud by the Lever Brothers and others did occur in some counties, the most common use of money in West Virginia politics in 1960 was to pay for drivers to ferry voters to the polls on election day. During the trip, they would praise the candidates supported by the organization for which they

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worked. Sometimes, to guard against lapses of memory inside the voting booth, they would hand the voter a slip of paper with the names of "slated" candidates. In 1960, those drivers were paid $25 for this day's work. If we did buy the election, it certainly was a bargain.

The real reasons for Kennedy's victory in West Virginia were 1) the support of Franklin D. Roosevelt Jr., which meant that God's son was saying it was okay to vote for a Catholic, 2) the mass distribution of the *Reader's Digest* article about Kennedy's wartime valor, which supplied convincing evidence of his patriotism, and 3) the fact that Kennedy was more impressive than Humphrey in their television appearances, especially during the crucial final week of the campaign. . . .

Most of the time we think that the more we pay the more we get. But this is not always true. For example, a recent study by the Pennsylvania Health Care Cost Containment Council shows that, in the case of coronary artery bypass surgery, higher costs do not necessarily produce better results. The hospital that charged the least had a lower death rate for this operation than the one that charged the most. . . .

In case you missed the recent revelations about how Washington's Blue Cross executives have been spending your money, let me help you count the ways. In addition to the X-rays and surgery you thought you were paying for, you are also subsidizing a luxury skybox at Baltimore Orioles games, courtesy tents at the Preakness in Baltimore and at the International Gold Cup in Virginia's hunt country, frequent trips on the Concorde and other jets to such destinations as London, Paris, and Singapore, and conferences and vacations at Palm Beach, Florida, Pebble Beach, California, the Greenbriar, and the Homestead. Top Blue Cross executives also receive, according to *The Washington Post*, "an annual allowance of $7,000 to $14,000 to use as they please for such things as health clubs, golf memberships, tax preparation, or health insurance." I especially like the last one: Knowing their organization as they do, I bet they didn't waste their money on Blue Cross.

In the early seventies, I was invited to lunch at the National Geographic Society. A gourmet meal complete with vintage wines was served by white-coated waiters in an elegant executive dining room. I began to question my previous assumption of purity in the world of non-profits. Many items in this column have since been devoted to more

TRAGIC MOUNTAINS

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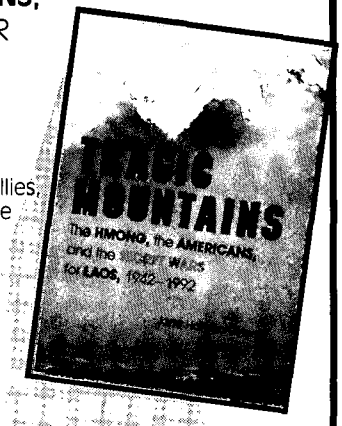
Jane Hamilton-Merritt



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serious misbehavior among these supposedly good guy organizations, and we published an article entitled "The Profits in the Non-Profits." Maybe the recent United Way scandal along with the revelations about Blue Cross will convince people that society should establish a system to scrutinize these organizations. . . .

For years, we have been trying to persuade our fellow citizens that the federal pension system may be a tad too generous. For those not yet convinced, we offer this evidence: Of the members of Congress who are retiring this year, three senators and 13 members of the House will, assuming they achieve their life expectancy, receive more than $2 million each in pension payments. . . .

Every time there is a change of the party in power in Washington, suspicions arise as to whether officials of the outgoing administration are trying to "burrow in" by getting civil service positions from which they can't be fired (as usually happens to officials of the departing administration who were political appointees). But the suspicious are finding they have a little problem in trying to prevent burrowing in. It seems that once a Bush appointee has applied for a civil service job, according to OPM rules, "political affiliation may not be used to discriminate against an otherwise qualified candidate." . . .

The four officials of the police union in Schenectady, New York, collectively get 450 days of paid leave each year to take care of union business and—you know you're in America now—to attend conferences. Last year the fellows took a total of 550 days off. So, what are they doing?

They are refusing to sign a labor contract that is otherwise highly favorable to the union's members, until they are assured that all 550 days will be allowed as paid leave. . . .

A friend of mine who heads a government agency tells me of two astonishing discoveries during her first year on the job. First, she couldn't use volunteers, because of federal personnel regulations, even though they were competent and obviously less costly than paid civil servants. Second, the General Services Administration required her to take office space through the GSA at a cost of $500,000 a year even though she had found a satisfactory building on her own for only $120,000. . . .

In the same week, an independent budget analyst revealed that the District of Columbia would be running out of money within a year and might have to be placed under a federal receivership and *The Washington Post* published a harrowing account of the incompetence in the District's public housing program. Where was Mayor Sharon Pratt Kelly during all this? Out of town on vacation. . . .

On Thanksgiving Day, a family got on an elevator in a Baltimore office building and pushed the button for the fourth floor. Between the third and fourth floors, the elevator stopped. They picked up the emergency phone. What they heard was a recording that said their call could not be completed, "please hang up and try again." They proceeded to hang up and try again—and again and again for the next five hours. Each time they got the same recording. Finally an operator answered.

Such stories feed my anxiety that few of the things that are supposed to work when you need them will function properly when the time comes. A grimmer example occurred recently here in Washington. A 58-year-old man died when his car burst into flames shortly after crashing into a utility pole. The victim was conscious after the crash and was trying to extricate himself from the car before the flames could envelop him. Two emergency vehicles, which are required to carry fire extinguishers, arrived. Here's what happened, according to an eyewitness account in *The Washington Post*:

"The first guy to come with a fire extinguisher, it was empty. He pushed the button and it just went pffffff. Nothing." The other emergency vehicle not only didn't have an extinguisher that worked, it didn't have one at all. . . .

Over the years, America's policy toward the Kurdish people has been characterized by contradiction and betrayal. Today, for example, we are supporting Iraqi Kurds *and* Turkey's campaign against Turkish Kurds. . . .

The superintendent of a Long Island public school district recently retired. He was receiving a salary of $220,000 a year. His severance pay was $960,000. His retirement pay will be $150,000 a year unless his severance pay is included in the retirement base, in which case, according to *The New York Times*, "it could double the pension to about $300,000 a year." Although this superintendent may be a dedicated genius worth every penny, the average American public school superintendent is a person of modest talent who has been recommended by other modest talents who are part of a network that rewards one another

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with jobs for which they also serve on the selection boards. Their intellectual level is suggested by the main speaker they selected for one of their recent conventions, George Steinbrenner. The convention was held in—where else—Las Vegas. . . .

If you happened to see HBO's scathing portrait of Joseph Stalin—the one with Robert Duvall—you will be as delighted as I was to know that the Russian ambassador to the United States was the host for a special advance showing of the film at the Russian embassy here in Washington. . . .

While I was in high school, we held one of those events when high school pupils took over the offices of the city government for a day. I was chief of police. The real chief took me on a tour of the station and introduced me to the other officers. He seemed to like me and his tone became increasingly confidential. When we returned to his office, he said, "Son, would you like to see how we take care of niggers?" He must have thought I nodded, for he proceeded to open a door revealing a closet full of bloody garments. He had kept them there as souvenirs of the beatings he and the other officers had given blacks.

That was 50 years ago, but the sad fact is that similar attitudes persist in police forces all over America. The latest example comes from Peoria, Illinois, where a local cop was found to be using the word "nigger" in handling a dog that was a member of the police department's canine program. Why had he used the term, the officer was asked. To "fire up" the dog, he replied.

Incidentally, the response of the Peoria city government to this episode was gloriously typical of bureaucracies: They suspended the dog and kept the officer on active duty. . . .

The headline for the program for the Democratic Leadership Council's December dinner to honor its former chairman, Bill Clinton, was "Celebrate the New Democrats." Here's just a partial roster of the dinner's sponsors: American Bankers Association, American Trucking Association, Boeing, Bristol-Myers Squibb, Chevron, Coca-Cola, Dow Chemical, General Dynamics, General Electric, General Motors, GTE, Martin Marietta, McDonnell-Douglas, Merrill Lynch, Morgan Stanley, Occidental Petroleum, Pepsi-Cola, Philip Morris, Phillips Petroleum, RJR Nabisco, Texaco, and the Tobacco Institute. If these are the new Democrats, my advice is head for the hills. . . .

—*Charles Peters*

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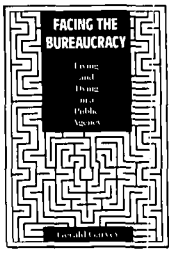

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Road Warriors

In getting their candidate to the White House, Clinton's campaign aides did something unusual: They got out of the way

by Matthew A. Saal

In September 1991, three weeks before her husband announced his candidacy for the highest office in the land, Hillary Clinton sat in the front seat of her navy blue Oldsmobile, slapping her hand against the dashboard, making her pitch about retail politics and Bill Clinton. If they had any chance of winning, she said, their toughest battle would be to prove to the American people that they, unlike so many other national candidates, were not isolated from the voters. "Bill and I have lived in an extraordinarily personal political environment," she said. "We love the opportunity to go out there and talk to people and listen to them. If a campaign does not teach the candidate, then how can people feel like they have any part of it?"

Hillary's pitch was as old as politics itself. But she seemed so earnest at the time that it was hard not to wonder whether the Clintons, like so many eager candidates before them, would fall victim to the Madison Avenue packaging that has come to dominate presidential politics. Today, 15 months later, the answer is clear. But the surprising twist is not so much that the Clintons clung relentlessly to the notion of "letting Bill be Bill"—after all, they certainly had confidence in themselves—but that their campaign staff first saw the virtue in the strategy—and then made it work.

Random though they may have seemed in the fury of the election, the so-called "turning points" of the campaign—playing the sax on late-night TV, a blizzard of televised town meetings, thousand-mile bus tours, and a radio tête-à-tête with a raunchy shock-jock who'd been calling him "Bubba Butt" for a month—were anything but arbitrary decisions. There

Matthew A. Saal is a producer for Cable News Network in Washington, D.C.

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was a common thread, the one that Hillary was so adamant about back in September in the Oldsmobile. Sure, Clinton had policy ideas, but so did Paul Tsongas. And yes, he had experience as an executive, but so did George Bush. What Clinton had that was special was an ability to make a personal connection with voters. And if he had any chance of winning, that was his ticket.

Coming up with the strategy, however, was the easy part. The challenge was putting it into practice, which, of course, is where the campaign comes in. But the skill of chief strategist James Carville and his staff was not merely that they recognized their man's talent, but that they did something truly unconventional in modern day politics: They resisted the urge to make their man into something he isn't, and they let him directly connect with the voters. Here's how they did it.

Town meetings

Rewind to New Hampshire. Mario Cuomo lets history pass him by and Clinton is anointed frontrunner. By January, he has climbed to 40 percent in the polls. Then, disaster: First, Gennifer of the tawdry tapes, and then dubiously-answered questions about his draft history. Clinton drops 15 points in four days, and with nine days to the primary he is still falling. It was, as one aide said, "meltdown."

The night Clinton's infamous ROTC letter surfaced, the key Clintonites, somewhat shell-shocked by the day's events, took a short walk in the freezing New Hampshire weather from the Manchester campaign headquarters to a nearby Greek restaurant. Over Greek salads and tepid moussaka, Carville laid out his plan—one that would soon become a staple of the campaign: paid television time for town meetings. The campaign would buy two half-hour blocks of TV time and let an unfiltered group of voters quiz the candidate on whatever was on their minds.

The idea was not as whimsical as it first appeared. Clinton had excelled in this kind of setting for more than a decade in hamlets across Arkansas. There was a reason, after all, much of Arkansas knew him simply as Bill: Clinton understood that politics in his home state wasn't so much a matter of who you knew, but how many—that you've lugged your big frame on sweltering days to chicken frys in outposts with names like Mt. Nebo and Dumas. Clinton's people figured running in Arkansas wasn't a whole lot different than running in New Hampshire's primary.

The time-worn approach—paid advertising—Carville reasoned to the group, was one thing, but paying to take voters' questions and showing that you had nothing to hide was something else entirely. "We were all thinking that we have to do more to get above the radar screen," says one aide who was at the Greek dinner. "We had to circumvent all the political clutter on TV in New Hampshire. And when James laid it out, it was, like, yeah, that is exactly what we need to do."

The town meetings, of course, worked. Clinton was passionate and at ease, not the candidate-under-siege he sometimes appeared to be when surrounded by a pack of reporters growling about the draft. In the closing days of the primary, thousands of voters returned to the Clinton fold. The lessons of the strategy only reinforced what the Clintons had learned years earlier in Arkansas: The more people know Bill, the more they like him.

Comeback Kid

There were other important events in New Hampshire. One was handing out 20,000 videos about Clinton's life, bringing "Bill" into many living rooms. Another was the way the campaign spun its second-place finish. Clinton, after all, lost the primary, his 25 percent a full eight points behind Paul Tsongas. But Clinton declared himself "The Comeback Kid," which gave him a perceived strength coming out of such a bruising primary. Such a bold declaration was the result of two key decisions, both aimed at helping Clinton connect directly with the voters.

First, the weekend before the primary, Joe Grandmaison, the legendary Granite State politico, urged Clinton campaign chairman Mickey Kantor to convince Clinton to come out on election night just as the polls closed and—regardless of the results—declare himself a winner. Grandmaison knew Clinton was making up much lost support and a strong and early statement about having climbed back into contention would shape the media coverage for the remainder of election night. But the "Grandmaison Plan" when first proposed by Kantor was viewed with skepticism. It gained momentum only after Hillary signed on.

On election night, the plan played out even better than anticipated. A full two hours before Tsongas went on the air to declare victory, a confident, beaming Clinton stepped up before an enthusiastic crowd of supporters to announce his second place "victory" and declare himself "The Comeback Kid." (That now famous line had been whipped up earlier that same day when Carville, aide Paul Begala, communications guru Bob Boorstin, and consultant Mandy

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Grunwald, among others, gathered in Carville and Begala's hotel room to hammer out Clinton's speech. "The room was a cross between spring break from hell and a newspaper bureau," said one aide, with computers, food wrappers, faxes, and piles of paper all over the place.)

Far from the resigned appearance that often characterizes second place primary finishers, Clinton appeared full of vigor, determined to fight even harder. He looked, well, presidential. The media ate it up. For two hours, while Tsongas waited for the "official" results, the TV stations ran, and re-ran, Clinton's speech. Americans love characters that struggle against the odds, and Paul Tsongas' miracle in New Hampshire was forced to compete with Bill Clinton's self-declared resurrection.

The Don Imus Show

The rebirth in New Hampshire provided Clinton with some momentum going into the southern states where he always expected to do well. Even so, both Jerry Brown and Tsongas refused to fold. Despite his 1,082 delegates, there was little sense of certainty about Clinton's gaining the nomination as the campaign moved into New York in April. Brown's upset in the Connecticut primary helped fuel talk that "character questions" might yet force Clinton from the race, and names like Bentsen and Bradley were still being bandied about as possible late entry candidates. And so it was that the Arkansas traveller entered the bare-knuckles ring of New York politics. The tabloids savaged him, caricaturing him as a southern cracker who couldn't understand the arcane and gritty ways of the city. He was forced to acknowledge trying marijuana and offered what was perceived as the quintessentially slippery "but I didn't inhale" response. A visit to a Harlem hospital turned into a menagerie when a fringe political group disrupted the event.

Enter morning radio talk show host Don Imus, with his more than 5 million "demographically correct" listeners in New York and surrounding states. The irreverent Imus ridicules anything that he comes across, and "Bubba Butt" Clinton provided ample fodder. Clinton aides Boorstin and Grunwald began pushing for Clinton to ask for a spot on the show. It was a chance, they argued, to illustrate that Bill could take a joke, that he was a regular guy. Some Clinton advisors thought Imus was too much of a loose can-

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non, that the risks of an unfunny womanizing joke were too high.

As the Imus battle raged inside the Clinton camp, Connecticut Senator Joe Lieberman, an early Clinton backer who was a frequent Imus guest, entered the fray. With Clinton battling through New York, the junior senator from Connecticut called the governor of Arkansas and urged him to appear with Imus (who at that point was telling listeners that "Bubba" was lying about the number of times he ran around the Central Park reservoir on his morning jogs). "I told Bill that Imus does pick on people, but he's very funny. Funny and smart," recalls Lieberman. "Bill listened. He was interested." The appearance was clinched when Rick Kaplan, an ABC News executive who knows both Imus and Clinton, called the radio show host to see if he could get the pair together. The answer was yes.

Clinton's staff whipped up a couple of quick one-liners for the candidate (one allowing Clinton to explain that he took to playing the sax because it's the one instrument where you don't have to inhale; another explaining that "Bubba" is "just southern for mensch") and the appearance was a hit. And not only did his winning performance fill New York's radio airwaves, but the campaign had also worked a deal with ABC News's "Nightline," which videotaped the appearance, and later broadcast to viewers across the nation images of a spontaneous politician who could take a joke, even one about adultery. This was no blow-dried pol; it was Arkansas Bill, comfortable, relaxed, regular.

Arsenio

Hoping to repeat the Imus success, Clinton appeared on the "Arsenio Hall Show" the day after he wrapped up the nomination. But he still lagged badly behind President Bush and Ross Perot in the polls. George Stephanopoulos, the communications director, and Grunwald pushed for the Arsenio appearance. Hillary had been an Arsenio fan since the emotional show he'd done the night of the Los Angeles riots. She'd gotten a tape of that show and played it for her husband one night at home in Little Rock. Clinton was convinced.

As the candidate rehearsed his saxophone playing with Arsenio's band in the empty studio, campaign press secretary Dee Dee Myers had an inspiration. The music sounded fine, she said, but what Clinton really needed was a pair of shades. She asked Begala to hand over his Ray Bans. Clinton was skeptical ("a politician's greatest fear is the fear of looking like an ass," explained one staffer), but he finally agreed. Next was the question of Clinton's clothing. He'd worn a typically sedate politician's tie, but the consensus among the staff was that it had to go. Arsenio's wardrobe person arrived with four choices from Arsenio's personal tie rack. Clinton was game and soon his horn playing and jazzy tie became a hallmark of the campaign. This guy was young, energetic and, well, likable. "We cleaned up the youth vote, which no Democrat had done in a generation," recalls Begala, "and Arsenio was crucial to that."

The Bus Tour

Clinton's performance on Arsenio—and the wide coverage it earned—helped trigger the June rebound that would catapult him past Bush into a lead he'd never relinquish. Many other factors were important, of course: strengthening the bi-racial coalition Democrats had sought for a generation; wooing Reagan Democrats; hammering away at Bush's inaction on the economy; peppering audiences with one plan after another for jobs and health care and education. But the approach of using pop culture media—and other non-traditional methods of getting out the message—had become institutionalized in the campaign. After Imus and Arsenio, the campaign went looking for other ways to introduce Bill to America: MTV, "Larry King Live," morning TV call-ins at every opportunity, and more town meetings.

But perhaps the finest innovation came from campaign manager David Wilhelm. A product of Athens, Ohio, Wilhelm sought a way to recreate the intimate campaign style found in New Hampshire. Again they turned to another throwback to Clinton's Arkansas-based up-close style of politics: Clinton had taken a whistle-stop train tour through northwest Arkansas during his 1990 gubernatorial campaign. The train had stopped numerous times to allow Bill and Hillary to greet hundreds of curious Arkansans along the way. With this in mind, Wilhelm masterminded the event that took the Clintons through America's heartland and that did more to allow Americans to meet "Bill" than a hundred appearances on Sunday morning talk shows.

For the Clinton campaign, letting America come as close as possible to their man paid off. The beauty of the Clinton strategy was that his campaign team saw that the politician was tailored for this type of politics. "Every campaign takes on the personality of the candidate, and Clinton's was from middle-class people in small town America," Begala said. "If you take too many general lessons from the campaign you just won't get it. He was the thoroughbred and we just let him run." □

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Butt Out

Finally, a way to beat the cigarette companies in court

by Justin Catanoso

For nearly four decades, law suits against tobacco companies have followed an unnervingly familiar pattern: 1) litigant (or family of litigant) brings claim, 2) company hires battery of lawyers, 3) expensive trial ensues, 4) litigant loses. Plaintiffs either fail to convince a jury to award them damages, or the tobacco companies, for whom shelling out huge legal fees is a price of doing business, drag out proceedings long enough to break the will of their antagonists. The results have been a tally of lopsided victories that you might expect from constantly pitting the San Francisco 49ers against a Pop Warner team: After 40 years and 320 different lawsuits, no tobacco company has paid *anyone* a single dime.

The landmark Supreme Court decision handed down last June could end this streak. Ruling in Rose Cipollone's case against three tobacco companies, the court handed the industry some fairly good news and some very bad news. Lawsuits alleging that cigarette makers failed to warn plaintiffs that smoking is dangerous, the foundation of virtually every lawsuit against the industry thus far, would no longer be allowed; the Supremes held that warning labels shield the industry from such suits, at least on claims after 1969. But the court also ruled that plaintiffs can sue cigarette makers for fraud, based on a theory that by concealing facts about smoking and health, or by actually lying about damaging information in their possession, the manufacturers breached a legal duty not to deceive. There may still be some new angles to try in the I-couldn't-quit approach to tobacco litigation (see sidebar). But juries in future trials are likely to be considering new questions: What did the cigarette makers know about the dangers of smoking, when did they know it, and what did they do with the information?

Justin Catanoso is a reporter with the News & Record *of Greensboro, North Carolina.*

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The short answers: The industry had reams of scientific data confirming everyone's worst fears about smoking, they had it early on, and they made an organized effort to keep the truth about their product from the public. Longer answers are contained in the 100,000 pages of once-privileged documents that Cipollone attorney Marc Edell subpoenaed from the tobacco industry, documents showing that the industry has suppressed, ignored and even lied about what

Take two packs and call me in the morning: When these ads ran, the tobacco industry knew better.

it knew about the hazards of smoking at least since 1946. And more information has come to light since Cipollone's attorneys dropped their case in November, some of it uncovered by me and my partner, Taft Wireback, during an investigative series for the *News & Record* of Greensboro, North Carolina. There is now a compelling body of evidence that would convince dispassionate observers—fair-minded jurors, for instance—that over the course of the past four decades, the tobacco industry engaged in massive fraud.

Smoke and mirrors

Much of the new and most damaging information pertains, ironically, to efforts by tobacco companies in the fifties and sixties to understand and even mitigate the health problems already being associated with smoking. Scientific studies by independent researchers began linking cigarettes to lung cancer in 1950. Around that time, Reynolds, for example, became interested in developing its own research lab. The company's goal was to identify the many compounds in cigarette smoke, figure out which might be toxic, and develop filters to make a "milder, less irritating" smoke. As a result of this first wave of research, filter-tipped Winstons were introduced in 1954.

The controversy about cigarette smoking continued to escalate. In January of 1964, the surgeon general decried smoking as a major health hazard for the first time. Fear spread within the industry that the government soon would begin regulating cigarette manufacturing. Publicly, cigarette makers continued to ridicule smoking research as flawed and inconclusive, mainly because it relied on animal testing that might not be applicable to humans. But in 1964, Reynolds chairman Bowman Gray told Congress that the industry was prepared to do whatever it takes to make smoking safe: "If it is proven that cigarettes are harmful, we want to do something about it regardless of what somebody else tells us to do. And we would do our level best. It's only human."

That commitment boded well for Eldon Nielson, a bio-chemist who joined Reynolds in 1962 and soon began lobbying for an animal research laboratory. He got his way over the protests of in-house lawyers and top executives.

"Some of the attorneys didn't like the idea at all; some of the managers didn't like the idea at all," Nielson said from his home outside of Salt Lake City, where he is retired. "Some said, 'I wouldn't do animal studies for anything.' It was a controversial issue within the upper reaches of management."

Nevertheless, walls soon were knocked out within Reynolds' sprawling yellow-brick research building in downtown Winston-Salem. Special rooms were built to hold animals and drainage and ventilation

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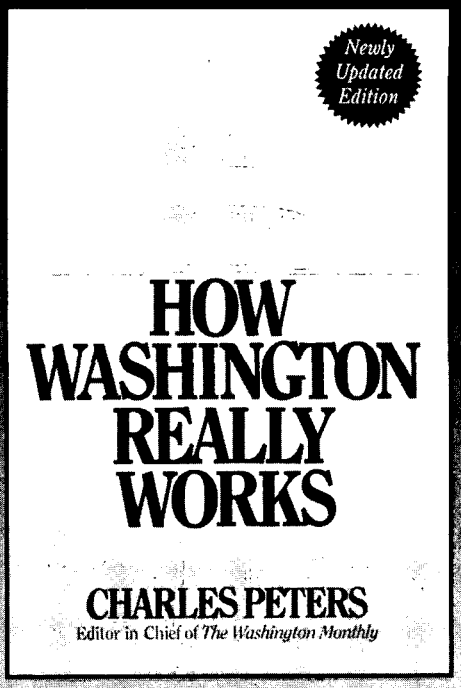

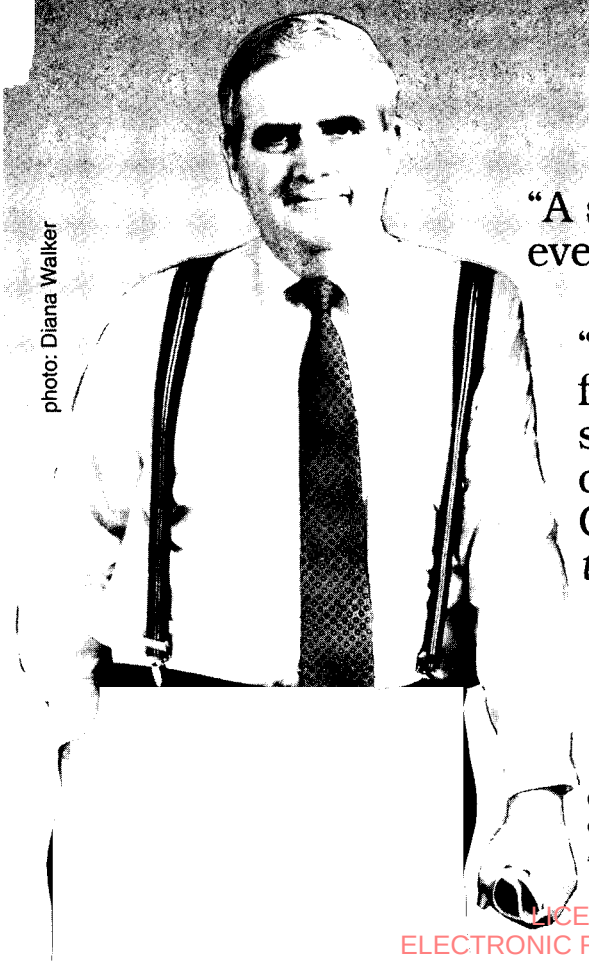

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systems were installed. Scientists dubbed their new animal research laboratory the "Mouse House." The lab wasn't advanced enough to do cancer research involving long-term animal studies but it could focus on the links between smoke and lung disease.

"We were young, idealistic and we were going to change the world," said Joe Bumgarner, a former Mouse House biochemist who now works for the EPA in Research Triangle Park, North Carolina. "I never remember thinking we were going to hurt the company. That was not our consideration. Our goal was: If there is a problem, let's fix it, if there is a fix."

Reynolds executives were not thrilled with their scientists' findings. The company summarily closed down the Mouse House, fired all the scientists, and confiscated—and never returned—dozens of the biochemists' research notebooks.

Anthony Colucci, only the second tobacco scientist ever to speak out publicly against the industry, was a doctoral graduate from Johns Hopkins University when he was hired by Nielson in 1967. He was made a project group leader and studied rabbits that had been exposed to cigarette smoke to gauge the impact of smoke on animal lungs. Other research sought to isolate toxic compounds in cigarette smoke such as phenol, naphthalene, and nicotinic acid to see how the substances were absorbed by the cells in rats and rabbits.

"Back in the sixties, we were incredulous that Reynolds took this position" that the links between smoking and disease were unproven, said Colucci. "We thought it was a joke." The compounds studied, after all, were not picked at random; they were selected based on outside research that deemed those compounds harmful—an admission, Colucci believes, that Reynolds scientists also believed them to be harmful.

Meanwhile, Reynolds engineers developed a state-of-the-art smoking machine to help with the animal exposure studies. The chest-high, rectangular device mimicked how a person smokes a cigarette. Animals were yoked so that all but their heads were shielded from the smoke, thus ensuring that they took in all tobacco residue by breathing. Rabbits were exposed to smoke for months at a time.

The biochemists used the machine in order to analyze the effect of cigarette smoke on pulmonary surfactant—the chemical compound that keeps air sacs in the lungs from sticking together each time air is exhaled—which the medical community in the late sixties considered a key to understanding a possible cause of emphysema.

Smoke screen

Colucci said the lungs of his "smoking bunnies" suggested several things, all of which were largely in concurrence with outside academic research and none of which Reynolds ever made public. First, smoke was damaging the rabbit's lungs at the cellular level, thus shedding light on how this damage was caused. Pulmonary surfactant was being damaged by smoke and was thus damaging air sacs deep in the lung. And the smoke appeared to trigger an increase in lysolecithin in the lung (a toxic compound also found in snake venom) which shot holes in lung membranes.

With the exception of the lysolecithin finding, which Colucci said was preliminary and required more study, several academic labs around the country had produced similar results. Indeed, in 1967, Samuel Giammona at the University of Miami concluded in a published study: "Tobacco smoke exposure would initiate changes in the surfactant favoring the developing of emphysema."

Reynolds executives, of course, were not thrilled with their in-house scientists' findings. In March 1970, the company summarily closed down the Mouse House, fired all the scientists, and confiscated—and never returned—dozens of the biochemists' research notebooks. "We waited about a week, then word came back that they were accidentally destroyed; that was the first indication we had that something was amiss," recalls Bumgarner. "I strongly suspect we were fired because anything we were doing was subject to subpoena."

Colucci says the company would not allow his surfactant studies to be published and he recalls being told by supervisors never to discuss any conclusions from his biological research with company executives. The execs, he was told, needed to be able to testify in court that they knew nothing.

What is Reynolds's version of these events? Sam Simmons, one of the original Mouse House scientists and now director of smoking and health at Reynolds, insists Colucci has memory difficulties complicated by hubris. Simmons says that neither he nor Colucci was ever close to connecting smoking and lung disease. He insists that the animal exposures were badly flawed. He claims the same changes observed in the lungs of rabbits exposed to smoke were observed in rabbits not exposed. And he said Reynolds closed the lab and fired the biochemists purely for business reasons: It was cheaper to fund the research at better-equipped academic labs. Simmons denies that the

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Mouse House notebooks were ever destroyed. And, of course, he stressed that cigarette smoke has never been proven as a cause of any human disease.

The credibility of Simmons' explanations is undermined by a confidential Reynolds research report, which the company threatened to sue me and my newspaper for having obtained. In 1985, attorneys for Reynolds, in preparation for a lawsuit, hired New York toxicologist Paul Brubaker to render an independent assessment of the company's biological research programs in the sixties. Brubaker was impressed with the work. "It is a story of pioneering research that led to development of technology and tools eventually used by others to explore the effects of direct smoking on the target organs: the lungs," Brubaker wrote.

The ultimate goal of the research was to understand the very thing that Reynolds and other tobacco

ASBESTOS PLANT

Lorillard's smoking gun

Asbestos in a cigarette filter? It's sounds as ludicrous as a dioxin sandwich, but between 1952 and 1956, P. Lorillard Company actually produced some 12 billion Kent cigarettes with asbestos in the filters. The nation's fourth largest tobacco company was so proud of its "Micronite" filter that it took out full page ads in the *Journal of the American Medical Association* to tout the filter's ability to remove tars and nicotine.

The filter seemed like a great idea at the time. The asbestos used by Lorillard could be spun into extremely fine fibers, so fine that they trapped hazardous smoke particles smaller than a micron. In the fifties, as the medical community reported more and more about the hazards of smoking, tobacco companies rushed to put filters on cigarettes to show that they were doing something about the problem. Despite the sensational claims of its advertising, Lorillard's Micronite filter only made the problem worse: Tiny, shard-like asbestos fibers broke loose from the filter and were sucked into Kent smokers' lungs carrying particles of tars and nicotine.

Electron microscope tests ordered by Lorillard in 1954 confirmed that Kent smokers were being exposed to asbestos. But Kent was a hot seller, so 18 months passed and 4 billion more Kents were produced before the company finally removed the asbestos. Lorillard, however, never bothered to tell anyone the truth about the Micronite filters, even though it knew that asbestos exposure was linked to various lung diseases.

It's now known that even one exposure to asbestos increases a person's chance of developing mesothelioma, a rare and deadly cancer of the lung and abdomen caused almost exclusively by asbestos. People who smoke and are also exposed to asbestos compound their risk of developing mesothelioma many times over.

Lorillard, based in Greensboro, North Carolina, has never lost a lawsuit to a smoker who's alleged that his or her smoking led to tobacco-related lung cancer. But the Micronite filter changes the game: Future lawsuits will be about asbestos, not tobacco. Over the past 10 years, thousands of plaintiffs with work-related asbestos exposure cases have rung up a string of court victories and put the asbestos industry out of business.

Only one Micronite filter case against Lorillard has come to court thus far. Peter Ierardi, a 58-year-old Philadelphia stockbroker has only one explanation for the mesothelioma that will soon kill him: the Kents he smoked in the early fifties. Jurors in his case, however, found that Ierardi didn't prove conclusively that he smoked Kents then. Thus the jury ducked the scientific issues involved and acquitted Lorillard as well as Hollingsworth & Vose, the Massachusetts company that manufactured the Micronite filter. Lorillard still maintains that its Micronite filter is not responsible for causing mesothelioma in anyone.

Seven similar cases await trial, some more solid than others. The *Greensboro News & Record* reported in November that at least three former Lorillard employees have died of mesothelioma since 1989. About the only thing all three had in common was their work with the Micronite filter. Stella Manzo used to attach the filter to Kents in Lorillard's old Jersey City plant. She never smoked, but she died of mesothelioma in 1989 never knowing the filter contained asbestos.

But the two other diseased Lorillard workers knew and both won confidential out-of-court settlements prior to their deaths. Lorillard refused to comment about the settlements. The company made the workers' lawyers promise not to discuss the settlements either.

—Justin Catanoso and Taft Wireback

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companies still say is unproven—how smoking causes lung disease. On that point Brubaker was most impressed with Anthony Colucci's pulmonary surfactant studies, which, he wrote, came close to understanding the cause, or mechanism, of how smoking triggers emphysema.

Brubaker couldn't explain why the Mouse House was shut down. But Colucci says he can:

"We were making progress, learning things. Yet they don't want us to know that the lipids in the lungs that maintain the functional integrity of the lung tissue are being destroyed by cigarette smoke. Why? Because this is mechanism. They always say 'You can't prove smoking causes disease because you can't prove mechanism.' Do you think Reynolds wanted to generate this information? No way."

Pack rats

One rich vein of fraud that emerged from the documents obtained in the Cipollone case was the work of chemist James Mold, the former assistant director of research at Liggett, maker of Chesterfield and L&Ms. Mold testified in Cipollone that beginning in 1955, he and a team of researchers began the hunt for the "safer" cigarette. The team spent 10 years testing a variety of additives that might neutralize deadly cigarette carcinogens and ultimately found that mice subjected to tobacco mixed with palladium and magnesium nitrate developed fewer malignant tumors.

In the seventies, momentum built for the project Liggett identified in its files as XA-5001, or XA for short. Liggett got patents on the palladium and nitrate additive, and the company bought large amounts of palladium to ensure a steady supply. The new product would be named "Tame," implying ever so gently its health benefits over untreated cigarettes. But as so often happens in the tobacco industry, the company lawyers got involved. After 1975, lawyers began attending all meetings concerning XA, and memos and letters about the new cigarette were stamped "lawyer-client privilege" in an effort to protect them from a possible court subpoena. Before long, the project was scuttled.

Lawyers for Rose Cipollone argued during the trial that her death in 1984 from lung cancer was partly caused by Liggett's refusal to market XA. A judge dismissed the charge, mainly because no proof was presented that Cipollone would have switched from Chesterfields to the new brand. But Cipollone's

FILTER TIPS

More ways to smoke the tobacco companies

In addition to the fraud approach, there are a number of new strategies still to be tried in tobacco litigation. One would connect addiction to cigarette companies' long-standing practice of targeting children. The tobacco industry has known for at least 20 years that nicotine is highly addictive—as addictive as heroin or cocaine. A Philip Morris researcher, reporting to his superiors the results of a confidential 1972 conference of tobacco industry scientists, noted that "No one has ever become a cigarette smoker by smoking cigarettes without nicotine." He suggested that they "think of the cigarette pack as a storage container for the day's supply of nicotine."

Even late-19th century jurists—hardly a soft-hearted lot—came down hard on landowners who held poorly-kept or dangerous property where children, for one reason or another, were drawn to play and were injured. The legal position of the cigarette manufacturers with regard to this "attractive nuisance" concept is much worse: The children in question are paying customers (not trespassers), and they are hooked before they have the adult sense to understand the dangers of smoking. And they don't merely wander into nicotine addiction, but are lured by finely honed marketing campaigns, Marlboro cowboys and cool cartoons of Joe Camel. Manufacturers, far from being indifferent to children, compete for them.

Another legal approach alleges that there is a kind of conspiracy between cigarette companies and local vendors to sell cigarettes to children. First, it charges that tobacco companies have been inviting kids to smoke for years using promotional campaigns like the one for Camels, which allowed customers to trade in coupons from each pack for the latest in beach wear, and for Parliaments, which are advertised as "the perfect recess." Second, it charges that vendors who sell cigarettes rarely ask minors for identification. A test case brought against a Massachusetts convenience store

Richard Daynard is a professor of law at Northeastern University and the chairman of the Tobacco Products Liability Project.

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lawyers missed the point; whether a marketed XA cigarette would have provided smokers with a safer alternative scarcely matters. Mold's research prior to and throughout the XA project points unerringly to a simple conclusion: Liggett knew for itself, and in great detail, the health hazards brought on by smoking. The company not only failed to disclose that information, it misrepresented that information to the public.

How this growing body of evidence of tobacco industry fraud will be used and how effective it could be remains to be seen. The Cipollone jurors heard much of it—though nothing about the Mouse House—and told interviewers after the trial that they were confused by the welter of information presented to them. Like the lawsuits against the asbestos industry, the fraud angle of attack in tobacco litigation may take some trial and error fine-tuning before being packaged in its most compelling and effective light. The meddling of tobacco company lawyers in research will certainly figure prominently, as will any new information about the tobacco industry's own scientific research. Already, 60 cases are prepared and waiting to go to trial.

Moreoever, the U.S. attorney's office for the eastern district, having pored over the Cipollone documents and the Mouse House reports, is looking into possible criminal fraud charges against all of America's cigarette manufacturers based on allegations that they purposely deceived the public about the hazards of smoking.

It is a unique product that eventually injures or kills the consumer when used exactly as intended. At some point, most major American corporations—car makers, chemical companies, pharmaceutical manufacturers, even the makers of children's toys—have had to pay damages for the harm their products have brought to consumers. Yet the damage those industries do is negligible compared to the devastation that is wrought by the tobacco industry each year: 434,000 deaths—more than alcohol, drunk driving, car accidents, cocaine, crack, heroin, homicide, suicide, fires, and AIDS combined. And according to the U.S. Department of Health and Human Services, smoking contributes to more than $52 billion annually in health care expenses and lost work time. So far, cigarette makers have not in any way been held responsible for those deaths and have never had to foot any of that bill. But the advent of fraud litigation and new evidence that the tobacco industry lied about its products may change all that. □

by Richard A. Daynard

chain for hooking two teenage plaintiffs on nicotine by illegally selling them cigarettes was settled in 1991, with the chain agreeing to require positive ID's from young would-be tobacco customers. Philip Morris was sued as a co-conspirator, but wriggled out of the suit by denying knowledge that the particular vendor was selling cigarettes to kids. The courts made clear that in similar cases in the future, this escape hatch can be closed with a letter to the company stating that sales to minors at a particular store are occurring.

Smokers may employ another untried argument against the tobacco companies by suing for the cost of overcoming their addictions. To this day, cigarette companies have denied that their product is addictive, but medically there can be no doubt that nicotine gum or patch users were indeed addicted. Their physicians had to so conclude before prescribing these remedies.

Individual nicotine addicts who have tried or wish to try to quit smoking can bring small claims court actions against cigarette manufacturers for the costs of their stop-smoking endeavors. Damages can include the costs of clinics, doctor visits, and nicotine replacement therapies. And because these individual claims would be quite similar—each one seeking $1,000 or less—and more than a million in number, they might be effectively combined in a class action suit. The patch, for instance, is looking like an $800-million-a-year market. Why shouldn't the tobacco companies foot the bill?

Another set of victims of the cigarette makers are the public and private health insurers (and through them, all of us) who pick up the more than $20 billion annual tab for tobacco-caused diseases. Small modifications of existing legal doctrines, at either the state or federal levels, would leave this cost where it belongs—with the cigarette companies. All that's needed is legislation declaring cigarette manufacturers liable, regardless of fault, for medical expenses and the lost income of smokers who contract lung cancer and other cigarette-caused diseases. □

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Soldiers of Fortune

The RTC's "Operation Western Storm," a mission to find 7 billion misplaced dollars, was a major victory—for slapstick

by Steven Wilmsen

Imagine you've been put in charge of the world's largest garage sale. You've been asked to collect all the merchandise, catalog it, and return the profits to your neighbors after it's over. When the sale starts you encounter a small problem: In your haste you lose $7 billion worth of furniture. Fearing retribution from your neighbors, who stand to lose a lot of money from your error, you hire someone to put things back in order. A fiasco reminiscent of the days of vaudeville ensues and in the end, no one is entirely sure what has to be recovered and what it will cost to get it back.

A suburban nightmare? Not quite. The nation's savings and loan bailout agency, the Resolution Trust Corporation (RTC), lived precisely this scenario, not with used furniture, but with your money. Entrusted to close ailing thrifts and sell their assets to help recover some of the $500 billion lost in the S&L debacle, RTC misplaced $7 billion in loans and other assets—funds that simply disappeared from its computer ledgers amid the chaos of its own burgeoning bureaucracy. Then, in a panicked effort to put its books back in order, it launched a massive campaign that, according to government investigators, was riddled with the same incompetence that led to the initial error.

The story of how the government lost and then found $7 billion is a glimpse inside one of the nation's largest bureaucracies, at the misplaced patriotism, political manipulation, and indecision that have crippled the agency since its formation. It is the story, really, of two giant blunders that began at RTC's birth in 1989.

The first blunder, known as "Operation Clean Sweep," was conceived by three newly appointed RTC executives in a Washington, D.C. conference room in October 1989. Ink on the savings and loan bailout bill that created the agency was barely dry, and RTC was in its

Steven Wilmsen, a reporter for The Denver Post, *is the author of* Silverado: Neil Bush and the Savings and Loan Scandal.

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nfancy with only a handful of bureaucrats in its employ, no offices outside Washington, and only a vague idea of the immense job before it.

The three executives—Lamar Kelly, David Cooke, and Bill Roelle—were career bureaucrats. They had been appointed to help build RTC from scratch. They envisioned Clean Sweep as a symbol of RTC's entry into the world, a debut mission to display all the get-the-job-done, battle-trumpeting bravado the name implied, according to officials who followed Clean Sweep's conception. In one mighty pass, the operation would steamroll the nation, closing or taking control of 189 dead and dying thrifts across the land.

Clean Sweep's planners apparently never considered more modest plans to close a few thrifts at a time, which would have allowed the agency to learn from its mistakes on a small scale before making irreparably large ones. They also apparently didn't realize that RTC had few if any trained staff to do the job or that its computer system was grossly inadequate, patched together from decade-old hand-me-downs from three other government agencies.

What seemed foremost in their minds was the *impression* their work would make. With an operation as grand as Clean Sweep, who in Congress, or among the public for that matter, could doubt RTC's commitment to the task at hand? Of course, they had good reason to consider public opinion. Americans had watched in horror as the government bungled, played down, waffled, and hushed up different aspects of the savings and loan crisis.

But the bureaucrats catered to public opinion at the expense of the bailout's realities, say some officials in RTC's ranks. "These guys loved the whole military thing," said one official charged with carrying out Clean Sweep. "They liked to pretend we were the army. They talked in terms of missions and code names and deploying troops. They were really caught up in that aspect of it, but I really don't think they understood the magnitude of what we were getting into."

Collateral damage

In January 1990, RTC opened regional offices in Atlanta, Dallas, Denver, and Kansas City. It recruited hundreds of workers from its predecessor agencies, the Federal Deposit Insurance Corporation, the Federal Asset Disposition Association, and the Federal Home Loan banks. They were immediately ordered into the field to execute Operation Clean Sweep. "I was just handed a note and told to show up at such and such institution at such and such a time on such and such day," said one of those recruits. "That was all. No explanation, no instructions. Just be there."

The recruits were gathered at each of the 189 thrifts. One of their primary jobs, other than firing management and hanging out a new sign when necessary, was to make sense of each institution's accounting system and transfer it to RTC's own computer ledgers.

It was a crucial task. In order to recover money for taxpayers, RTC needed to sell the myriad loans it seized from dead thrifts. To do that, the agency needed to know what loans it was taking over and how much they were worth.

But as the teams went to work, they found chaos beyond anyone's anticipation. Some thrifts had invented bizarre accounting systems that seemed to defy interpretation. Others seemed to lack any system at all. At giants like Imperial Savings in San Diego, Charles Keating's Lincoln Savings, and Western Savings and Loan in Phoenix, they found warehouses of documents that would take months to sort out.

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Despite the complexity, the teams of recruits were left to drift, untrained and with no direction from RTC superiors. "One day, all of us sat in a room together and arbitrarily came up with numbers," said a recruit assigned to a dead thrift in Colorado. "That was how we evaluated the thrift. None of us had ever done anything like it before."

And even if the workers had been properly trained, RTC's computer system couldn't have handled the volume and complexity of the loans involved in Clean Sweep. The system had been designed in more tranquil days to handle a handful of failures each year. Making matters worse, the different parts of the computer system RTC inherited from other agencies spoke different languages, which meant that information, when it was entered, could not be adequately manipulated.

Other teams didn't even try to make sense of the messes they encountered. With Washington's whip to their backs, they decided it was faster simply to disconnect entire computer accounting systems, sending thousands of transactions to oblivion. "It was pandemonium," one RTC manager recalled. "We closed so many thrifts so fast that the accounting just went to hell in a hand basket."

It was arguably the worst mistake RTC could have made. Without accurate records, RTC's entire mission was in jeopardy. Here's why: At every financial institution, thousands of transactions happen on any given day, from receiving monthly mortgage checks to payments on complicated development loans. Loan payments arrive at the institution where they are normally entered into a computer accounting system. That system makes sure the money is credited to the proper loan, calculates the interest and principal remaining, and completes a host of other chores. If the system is disrupted, no one will know which payments belong to which loans. In addition to the obvious annoyance to the person making the payment, such a disruption could cripple a financial institution. It would no longer know how much its loans were worth. And it would have a fountainhead of cash flowing in that it wouldn't know what to do with.

At first, RTC didn't seem to understand the disaster it was creating. But it should have had a clue when Congress's investigative arm, the General Accounting Office, discovered RTC's records were in such disarray that it couldn't even *begin* an audit. Then, in November 1990, David Pyland, a regional director of contracting in RTC's Denver office, discovered something was very wrong. He found more than $1 billion in an RTC holding tank called a suspense account. Suspense accounts are where RTC puts money it doesn't know what to do with, like monthly mortgage checks written to the wrong bank or payments mailed without a coupon. But the accounts were meant for thousands of dollars, not billions. Cash was flooding into the Denver regional account so fast that five months later it would contain over $7 billion. Where was the money coming from?

The answer was obvious. So many records were missing or confused that RTC didn't know what to do with the loan payments. Unable to locate loans for which the payments were meant, RTC simply dumped the money into holding tanks. If left unchecked, Pyland believed, the suspense account would grow exponentially and the bailout could fall apart before it began. He went to his superiors in Denver and Washington, where, in the fertile soil of bureaucratic politics, the seeds of a whole new catastrophe were sown.

Bank cards

True to the most aged of political clichés, RTC officials in Washington decided to leap into action and study the problem. Sara Aarthun, a senior asset operations specialist in Washington, toured the regional outposts and found what Pyland had already discovered. She also found similar problems at the other three regional offices.

Despite Aarthun's five-page memo describing what by all accounts was an emergency situation, Washington hesitated. The problem presented an acute political dilemma for Lamar Kelly, RTC's top real estate executive in Washington. As the highest official responsible for RTC's assets, he needed to do something and fast. Such a disaster as the one before him could ruin a career.

Adding to the problem was the fact that RTC was under immense pressure from Congress to speed up the bailout. To prove the agency was well on the road, Chairman L. William Seidman scheduled the agency's largest-yet loan auction for the following June. If the records weren't in order by then, the auction could be a disaster of immense proportions.

Meanwhile, in Denver, officials in the regional office had political considerations of their own. Sherwin Koopmans, a mild-mannered and somewhat boyish Midwesterner, was the new Western regional director, appointed just over a month before.

Koopmans and his staff agreed that the books of 92 failed S&Ls had to be reconstructed and put back in order. But how? Russell Brown, acting director of asset management in the Denver office, gave everyone the answer they wanted to hear.

Brown was a workaholic. Overweight, intense, and able to work 16-hour days, seven days a week, he had a vision: "He said, 'If you give me 1,000 people, we can get this done in a month's time," a col-

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league later recalled. The promise was ridiculously overstated. An RTC accountant who worked on the project said, "We all knew—the people who worked on the nuts and bolts of this thing—we knew how complicated it was. It couldn't be done, not on that deadline. That was a joke from the start."

But RTC management wanted to believe him, and they placed him on the job under Pyland, who was put in charge of organizing the project. Together, they began to formulate plans for an assault on the Western region's 92 failed thrifts.

Their agenda was to hire an outside accounting firm and mount an all-out attack to begin in April and finish in June before the loan auction. The only remaining business was to give the project a name.

The managers wanted something to properly express the adrenaline-pumping scope of what they were about to start. Feeling a certain kinship with the soldiers preparing for Operation Desert Storm, they gave their battle no less noble a title, and Operation Western Storm was born.

To find 800 accountants, the Task Force turned to temporary employment agencies, which produced, among others, a recent high school graduate with no accounting training and a college marketing graduate with little accounting knowledge who was put in charge of an entire field team.

Pyland and Brown, set up in a command post they called "The Storm Center," faced problems from the very start. Their assault would require at least 800 accountants, far more than what RTC could provide. So RTC hired a small private firm in Denver called the Financial Management Task Force, whose biggest job until then had been managing 14 failed industrial banks for the State of Colorado. The Task Force was hired as operation managers. To find the 800 accountants it needed for the job, it turned to temporary employment agencies, which produced such professionals as a recent high school graduate with no accounting training and a college marketing graduate with little accounting knowledge who was put in charge of an entire field team.

Qualified or not, these were RTC's troops, and they were rushed into the field in early April to meet the first set of already-looming deadlines. But instead of getting to work when they arrived, they sat idle for as long as a month—billing RTC for their time—while they waited for vital instructions and equipment to come from the Storm Center in Denver.

A field employee in California said: "Some people just packed up and went home and told the supervisors, 'Call us when we can do some work.' And yet they billed 60 hours a week on their time cards." In at least one case, a supervisor apparently falsified weekly progress reports to cover for idle workers at a California thrift, saying his team was "proceeding nicely" on loans that didn't even exist, according to progress reports and loan documents. Part of the problem was that no one was minding the store in Denver. RTC had assigned only five people to oversee the entire project of 92 thrifts and 800 accountants.

The June 30 deadline for finishing the project came and went. Only eight of the 92 institutions had their books balanced. And RTC had already paid the Task Force $10 million.

Some RTC officials began to wonder if the Task Force wasn't taking the agency for a ride. It turned in outrageous bills even for small thrifts that seemed to involve little work. It charged, for example, more than $50,000 for work at the tiny $344 million Independence Savings and Loan in Vallejo, California, whose books were out of balance by just $5,184. Still more disturbing was the work itself. It "contained considerable errors" and in some cases was meaningless, according to internal memos.

None of this seemed to faze RTC's top officials, who appeared less interested in actual success than in the appearance of it. "There was this attitude toward people who tried to point out mistakes," said an accountant who worked on the project both in Denver and in the field. "It was like, 'Shut up. It's going to work.' . . . There was this fear that if you spoke up, you wouldn't have a job."

As the months wore on, tension mounted. In Washington, Kelly was reportedly furious that the project was so far behind schedule. Apparent acts of desperation began to proliferate. Accountants who worked on the project said RTC field managers ordered them to alter records so that costly mistakes appeared to have been caused by previous management, not by Western Storm. A senior official said he was ordered to alter RTC's computer ledgers at one point to show Congress that RTC's books were in order.

Finally, in November 1991, RTC's worst nightmare came true: The press got wind of the debacle. After news reports detailed the project in December, RTC's new chairman, Albert Casey, admitted before the House Banking Committee that "We blew it." After investigations by the General Accounting Office,

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The Washington Monthly

JOURNALISM AWARD

FOR OCTOBER 1992 IS PRESENTED TO

Jim Mann
Los Angeles Times

Three years ago, in the wake of the Chinese government's deadly crackdown on demonstrators in Tiananmen Square, the United States and other leading industrialized nations united to freeze lending to China, in effect cutting off China's access to billions of dollars. Today, although China has made only modest improvements in its human rights policy, the United States, Japan, and Western European nations have quietly, but fully, discarded the loan freeze. This has allowed China to borrow billions of interest-free dollars from the World Bank to the point where it is now receiving more funding than before Tiananmen. *Times* reporter Jim Mann carefully lays out the process by which this "tale of diplomatic skill, avarice . . . and intrigue" came to pass. At its heart, he shows, was pressure applied by Japanese, German, French, and Italian companies on their governments to allow the borrowing to resume. Why did these foreign firms care so much? Mann explains that many had been contracted by the Chinese to build roads, harbors, and power stations; when the loans were cut off, so was their business. And the United States, when pressured by its allies to look the other way, did so.

The Monthly Journalism Award is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. Nominations for any newspaper, magazine, or radio or television station in the country are welcome. The subject can be government in its federal, state, or municipal manifestation. Please send nominations to Monthly Journalism Award, 1611 Connecticut Ave. NW, Washington, D.C. 20009. Two copies of the article or broadcast text should accompany the nomination.

Nominations for stories published or aired in January will close February 15. Nominations for stories published or aired in February will close March 15. The January winner will be announced in the April issue and the February winner will be announced in the May issue.

RTC's inspector general, and an outside auditor, Treasury Secretary Nicholas Brady said the agency's system of internal controls "completely broke down."

Casey sent a task force to Denver to "let heads roll," in the words of one official. And an outside auditing firm was hired to evaluate Western Storm. When the maelstrom was over, Koopmans, arguably the least responsible of those connected with the project, was selected to take the fall. He was removed and placed in an out-of-the-way post in Washington. Kelly, Brown, and the rest of the RTC officials who ran Western Storm remained. Even the Task Force was allowed to stay another year to finish the project.

Homeowner alone

In July 1992, a year after Western Storm was supposed to have been completed, RTC announced it had finally put an end to the fiasco. All $7 billion was accounted for, it said. General Accounting Office auditors concurred, issuing a "clean certificate" for RTC's books. During an interview in RTC's Denver quarters that month, Casey slapped the palm of his hand on the conference table in front of him and said: "We consider that chapter closed. The problem is behind us."

But is it? The agency still doesn't know how much its accounting troubles cost taxpayers in wasted time and money. How many homeowners were threatened with foreclosure when they'd been making payments all along? How many loans were sold at deep discounts because RTC didn't know what they were worth? One RTC asset expert in Denver estimated the agency would lose 30 cents on the dollar, translating to at least $20 million that might have been recovered for taxpayers. "But that's only a guess," he said. "It could be anything, probably a lot more." The losses rippled to other RTC activities. In February 1992, Salomon Brothers backed out of a potentially lucrative deal to package $67 million in RTC loans as mortgage-backed securities citing the agency's inaccurate information. An RTC accountant said he knew of "at least 10 instances where they sold loans they no longer owned" because the records were so bad. Such accounts are only glimpses at costs that may have spread wider and deeper than anyone knows. And some officials say the agency hasn't dealt with some of the root problems that caused the trouble to begin with: inadequate computer systems and sloppy accounting.

"We still don't know where we are," said one of those officials. "There never was an accurate inventory of what those thrifts really had. Until we have that, we may never really have a handle on it." □

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Lemon Laws

"Laws are like sausages," Bismark once famously intoned, "It is better not to see them being made." Comparing laws to sausages is, of course, grossly unfair—to sausages. Sure, the rough and tumble of a bench-clearing legislative brawl is probably not much prettier than a machine stuffing fats and fillers into pig meat. But a bad sausage will just ruin breakfast, while a bad law can turn your stomach for years.

We've had our share of howlers in the past, laws that cost us a fortune, taxed us incomprehensibly, or were just plain idiotic. The problem is that the confluence of forces that create any particular law is unique, which means there's no sure-fire way to tell when Congress or the president is about to hand us something really inane. The best we can do is look at past experience, examine a handful of genuine stinkers and ask, what went wrong?

The laws here have been chosen not because they are necessarily the worst we have on the books, but because each is illustrative, in different ways, of how legislation can go haywire. In some instances, it's good intentions gone wrong; in others, it's greedy intentions gone right. With a new president coming to town promising a shopping list of reforms, now may be the moment to learn something from earlier disasters.

A legislative hall of shame

by David Segal

Mandatory Minimum Sentences for Drug Crimes

Approaches to criminal sentencing, like wide ties and Tony Bennett, go through periods of fashionability. Sometimes judges have discretion about how long convicts get sent away, other times their hands are tied. In 1984, Congress ushered in a new era of the latter and delivered a legislative triumph of hype over good sense by creating a system of mandatory minimum sentences for a wide range of crimes, while eliminating most time reductions for good behavior.

The idea was to bring some uniformity to the system and insure that convicts served at least 85 percent of their sentences. The premises were sound enough. Race, class, and even gender figured into too many sentences and some liberal judges were reportedly letting violent criminals off easy. But in practice, the new system forces judges to incarcerate criminals—even non-threatening ones—for far longer than is often necessary, which is not only unfair, but spectacularly expensive. Nowhere is this more evident than in the minimum sentences for drug-related crimes.

Congress, in all its wisdom, drafted these laws so that the *amount* of drugs involved in a particular offense is the paramount consideration, making the relative roles of the offenders secondary. An example: Say a guy, let's call him Bob, is part of an operation importing one thousand kilograms of cocaine into the country. Bob's role is little more than a

David Segal is an editor of The Washington Monthly.

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cameo, making a phone call or two, setting up a meeting, doing logistics work. If Bob gets caught, the mandatory minimums hamstring the judge into giving him between 25 to 30 years, even if it's a first offense. Bob no doubt could use some time to rethink his career ambitions, but odds are good that he's the type of person who would need no more than a couple years to get that thinking done. It's likely he was motivated by money and highly unlikely that he is violent. He needs a very loud wake-up call, not three decades behind bars.

But he'll get three decades. More perversely, Bob's judge will sentence him to far more years than many dangerous criminals get. "I routinely get drug sentences more severe than anyone I ever convicted for second degree murder when I was a state prosecutor," a federal prosecutor told me. "We get 20- to 30-year sentences for first time offenders. You very rarely see those kinds of sentences for violent crimes."

The mandatory minimums for drug crimes were drafted, not surprisingly, during the Reagan-era hysteria over drugs. It's been fashionable ever since to be the toughest guy on the Hill when it comes to sending dealers to the slammer. This approach might be justifiable if it served as a deterrent, but there's little evidence dealers have been daunted. The prisons are increasingly loaded with drug criminals—they now comprise more than half of the prisoners in the federal system—as the costs of incarceration climb ever higher.

"Mandatory minimums were such a broad axe that they have produced unfair sentences," says Judge William Wilkins, chairman of the Sentencing Commission, a group Congress created back in 1984 to study the issue. The commission, ironically, is now vocally against the entire mandatory minimum system. "Proportionality in sentencing is so important," says Wilkins, "and the mandatory minimums are not proportional."

Defenders of the status quo, even in Congress, are getting harder to find. "There are egregious cases where mandatory minimums bring about a miscarriage of justice," says Rep. Charles Schumer, chairman of the House Sub-committee on Crime and Criminal Justice and an early backer of mandatory minimums, "and our committee is going to start to look into those."

The Economic Recovery Tax Act of 1981

We can't *really* blame the whole of the staggering $290 billion deficit on the 1981 Tax Act—but let's anyway. Sure, Reagan and Congress didn't give away the whole farm in one stroke of the pen, and yes, subsequent budget deals and tax laws mitigated some of the act's effects. But '81 was the curtain raiser in the 12-year run of the supply side tragicomedy and, far more importantly, it set the tone for the eighties by putting a president in the historically unprecedented position of defending huge deficits. It also provides an object lesson in what can happen to legislation when lobbyists get dealt into the game and find themselves holding a couple of aces.

The opening salvo of Reaganomics, you might recall, was billed as an "across the board" tax cut and featured a series of tax reductions fashioned along the lines of the Kemp-Roth proposal to cut personal rates by 10 percent a year for three years. This approach had an irresistible populist ring, but it didn't take long to calculate that middle- and low-income earners weren't going to do as well by Washington's new math as the rich. Back in 1983, Citizens for Tax Justice found that inflation and Social Security tax increases that took effect in 1981 meant that after all the tax cuts, families with incomes between $10,000 and $15,000 actually ended up with a 7 percent tax hike, and that those making more than $200,000 found themselves, on average, $60,000 in the black.

But that was chump change compared to what businesses made off with: tax credits and write-offs that would have reduced the government's intake from the private sector by half a trillion dollars through the eighties if the act had not been undone by later legislation.

How did business—especially oil, chemical, and utility companies—find itself on the fat end of such largesse? At least some credit must go to the Carlton Group, a coven of corporate lobbyists who took their name from the Sheraton-Carlton in Washington, their favorite meeting place. It was the Carlton group that in 1978 dreamed up "10-5-3," a plan that depreciated business investments at a rate dizzying enough to amount to a government subsidy. At first the idea was roundly ridiculed on the Hill, but after two years of lobbying and the arrival of Reagan, enough wavering members—those aware of 10-5-3's potential repercussions but scared of seeming "anti-investment"—had been buffaloed into supporting the idea to create majorities in both the House and Senate. Eventually the scheme became '81's most audacious measure, the Accelerated Cost Recovery System (ACRS), a regime of goodies that translated into Christmas seven days a week if you happened to run a very large corporation. (ACRS's original Senate sponsor: Lloyd Bentsen.)

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Where were the Democrats in the free-for-all that created '81? After gamely pressing for saner tax cuts for business and more relief for middle- and low-income earners, eye-witness accounts have the Democrats actually competing for the support of the business lobby, which found itself powerful enough to be courted by both parties. The results show it. Ultimately, most Americans didn't get *any* tax relief from '81. Which means that the supply-side theory—that if you put more money in people's pockets they'll work harder and save more—was only tested on the wealthy.

Just about all parts of the political spectrum can now find something to loathe in the 1981 Tax Act. Long-time Democratic insider Stuart Eizenstat reviles it because "it was a binge of tax cuts that have continued to leave the Treasury bereft." Herb Stein, a neoconservative economist with the American Enterprise Institute, decries its middle income tax cuts "because they only fed the deficit and were not enough to change behavior." Brookings Institute economist Charles Schultz says it was "the biggest single contributor" to our present deficit. At minimum, it was the harbinger of what was to come. There are estimates that during the eighties, upwards of 70 percent of new wealth went to the richest 1 percent of Americans, while the incomes of the bottom four fifths of the nation declined.

The only defenders left, it seems, are members of the Carlton Group. Cliff Massa, who was then "informal chairman of the group" and is now a partner at a D.C. law firm, says that the big problem with '81 was that it wasn't given enough time to work. And he still can get misty thinking about how it all came together. "We were really just along for the ride while the Gipper was pulling us through," says Massa. "Those were the good old days."

The Delaney Clause

Proposing legislation that is bitter medicine for the country usually takes some courage, but changing legislation that is stupid medicine for the country often takes more. A case in point is this clause in the 1960 Food Additive Amendment to the Food and Drug Act which stipulates that any additive found to cause cancer in laboratory animals cannot be used in foods. It sounds sane enough, but in the 34 years since Delaney was passed, advances in science have made the clause embarrassingly outdated. Animals and humans, we've since learned, metabolize differently, so what causes cancer in a rat doesn't necessarily cause cancer in humans. And methods for measuring levels of carcinogens have so improved that taking the Delaney Clause at its word would mean banning essential minerals as well as vitamins like A and D.

Why the Delaney Clause exists at all is something of a mystery. The move for a bill regulating food additives began in the late forties, after technologies developed during World War II made emulsifiers, additives, sweeteners, and processed foods possible. James J. Delaney, a Democrat from New York, and some of his colleagues decided that a new committee was needed to look into regulating health standards for these innovations. The "Delaney Committee" issued, among other laws, the 1958 Food Additive amendment which was initially a sensibly vague prohibition against harmful additives.

But late in the game, Delaney lobbied hard for a clause that would provide a blanket ban against all animal-tested carcinogens. Even in 1958, Delaney's insistence was baffling. Eliot Richardson, then assistant secretary for legislation at Health, Education and Welfare, wrote a letter to Delaney on behalf of HEW arguing that the clause was redundant. Scientists warned that since they were unable to determine what constituted safe levels of carcinogens, an absolute ban would pointlessly box them in. But Delaney was not to be deterred. Why? There are a variety of theories. One says that he had relatives with cancer. Another is that Gloria Swanson got to him. It's unlikely, however, that we'll ever know—Delaney has since passed away.

What's certain is that by the mid-seventies, advances in analytic chemistry started making Delaney look foolish. "People began to realize that the clause would impact many more compounds than anyone ever thought before, compounds about whose risk there was no real concern," says Richard Merrill, who was counsel for the FDA in the eighties. The FDA has tried its best to avoid rigid enforcement of the Delaney ban, but since the clause doesn't allow exceptions, the agency often loses when taken to court by consumer groups. The FDA was forced to ban a color additive used in lipstick that studies showed would cause cancer in one in 19 billion people—odds that are slightly worse than hitting the lottery and getting flattened by space junk *on the same day*. Saccharin would have vanished under Delaney, but angry constituents hooked on diet sodas inspired Congress to pass a law to keep it on the market.

Health and Human Services Secretary Louis Sullivan has called for Congress to acquaint Delaney with the science of the nineties, but don't count on a legislative review any time soon. No congressman wants to run for re-election and be tarred as the guy who "voted for cancer." The likelihood is that Delaney will linger on the books, a flatulent old poodle

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of a law—occasionally distressing, usually ignored, but something no one has the stomach to get rid of.

Executive Order 12291

The insufficiently famous E.O. 12291, the first piece of legislation signed by President Reagan, routed any new regulation being considered for publication by any agency through OMB's Office of Information and Regulatory Affairs (OIRA). After E.O. 12291, if the FDA, for instance, wanted to publish a regulation it would need approval from OIRA, whose machinations were largely controlled by then-Vice President Bush's Task Force on Regulatory Relief and later by Quayle's Council on Competitiveness. The goal was not just to give Veeps a reason to get up in the morning, but to centralize review of regulations, prevent unnecessary and cost-prohibitive regs, and to give the executive a stronger hand in the implementation of laws.

Not a bad idea, really. No one elected any of those agency regulation drafters, so why shouldn't Reagan and his cohorts have a say in the process? A single mechanism of overview also makes it easier to figure out when one agency is creating laws that conflict with another. Besides, when a stupid regulation becomes law, nothing short of divine intervention will undo it, so another round of do-we-*really*-need-this is worth the effort. And it's not just anti-regulation Republican types who think so. Jimmy Carter was the first to try his hand at centralizing regulatory review, and during the campaign Clinton intimated that he would keep the present system.

So why is 12291 on this list? Because the men and women who administered the order brought to the job an anti-regulation fervor that bordered on fundamentalism. "We were doing the Lord's work," James C. Miller III, the first administrator of OIRA and author of 12291 told me, and the record reflects this quasi-religious fervor. Everyone knew that regulations made Reagan seethe, but the consistency with which his minions blocked, sat on, and otherwise choked the life out of all regulations that could remotely be construed as a hindrance to commerce had to take even the Fortune 500 by surprise.

The problem is that the cost-benefit analysis demanded by OIRA rarely accounted for costs other than those found on the bottom line. "They've got a lot of economists over at OMB who know nothing about industrial safety," says Peter Infante, director of the Office of Standards Review at the Occupational Safety and Health Administration (OSHA), offering his personal opinion. "Under the guise of doing cost-effectiveness analysis, they second guess risk. And to do this, they very often misrepresent the data and do work that is fundamentally flawed, incompetent, and misleading."

Back in 1980, for instance, scientists first noticed that when children with chicken pox or some strains of the flu were given aspirin, they developed Reyes syndrome, an illness which can lead to brain damage and is often fatal. In 1982, the FDA proposed a regulation that would have required aspirin makers to include a Reyes syndrome warning on their labels. When the reg got to OMB, Jim Tozzi, then deputy administrator at OIRA, called a pediatrician who told him that the science on the connection between aspirin and Reyes syndrome was not definitive. OIRA blocked the regulation for four years.

Finally, in 1986, Rep. Henry Waxman threatened to legislate the warning onto aspirin labels, a move that caused aspirin makers to put it on themselves. Now that parents are warned about Reyes, the syndrome has virtually disappeared. But with the Center for Disease Control estimating that before the new labels were added some 300 children were dying of Reyes annually, it's a conservative guess that the OMB delay cost some 1,200 children their lives. Jim Tozzi, now director of a D.C.-based consulting firm called Multi-National Business Services, said he stands by his decision: "We don't know the other side of this. We could end up with a whole generation of kids hooked on Tylenol because of that regulation."

OIRA resolved the natural tension between regulation and profit-maximization more regularly than even the captains of industry would have liked. In 1980, for example, Johnson & Johnson's medical representatives went to OSHA and asked the agency to investigate ethylene oxide, a gas used to sterilize surgical instruments, because some of the company's employees working with it had developed some chromosome aberrations at the same time that preliminary studies on the gas linked it to cancer and spontaneous abortion. In 1984, OSHA published a regulation for ethylene oxide, which OMB blocked, stipulating that before it would sign off, OSHA had to remove the short term exposure part of the regulation. This requirement was ludicrous because the vast majority of people working with the gas are hospital employees who get quick, twice-a-day bursts of exposure when they clean surgical instruments. Watchdog group Public Citizen took OMB to court and forced the agency to pass the regulation. In 1988, eight years after Johnson & Johnson's request, a short-term exposure ethylene oxide regulation was finally published.

The real fun for OMB watchers since 12291 has been the agency's reason-be-damned rationales for killing different regs. There have been some knee-slappers, but the agency might have outdone itself

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last March in a letter to OSHA explaining that they were blocking a new regulation which would limit worker exposure to air contaminants in agriculture and industry because passing the regulation would—are you sitting?—*harm workers' health*. How? Well, according to OIRA's acting administrator James MacRae, since workers in wealthier societies live longer and because regulations cost society money and bring down its standard of living, blocking OSHA's reg would help keep America's standard of living high and thus save lives.

This logic, as you might suspect, doesn't bear up to intense—or even mild—scrutiny. But it makes perfect sense within the context of a crusade, where reasons and arguments are jerry-built to justify the quest, where catsup is a vegetable, as Reagan famously claimed, if it gets you any closer to the Grail. The irony is that E.O. 12291 may one day belong on the list of smartest laws if folks without an ideological axe to grind are given a chance to make it work.

The "Me Too" Laws

"The S&Ls," wrote Michael Waldman in *Who Robbed America*, "are nothing less than a Watergate scandal for the entire government." Which makes pinning the $150 billion bailout debacle on any one bill or person a tricky business. The favorite whipping boys have traditionally been Senator Jake Garn and ex-Rep. Fernand St. Germain, who for all eternity will have their names affixed to a bill that gave the S&Ls more latitude to get into speculative ventures right when the thrifts most needed tough love. St. Germain presents an especially attractive scapegoat, having rung up a $20,000 dinner and drinks bill on S&L lobbyist James "Snake" Freeman through the eighties and then, after being voted out of office, signing on to shill for the thrifts. It doesn't help that both the Democrats and Bush like to finger the Garn-St. Germain Act as the real culprit; the Democrats because it makes the whole nightmare seem more like a Republican problem and Bush because it makes it sound like everything happened on Reagan's watch, not his own.

Garn and St. Germain, however, deserve only a slender portion of the guilt. Their law did—if inadvertently—allow thrifts to get into junk bonds and it did prop up a few S&Ls that should have been allowed to expire before doing further damage. But a whopping 75 percent of the cost of the bailout comes from the collapse of state-chartered thrifts which Garn-St. Germain did little to impact and which had been given, via compliant state legislatures, virtual carte blanche to run their affairs. Since state-chartered thrifts were insured by Uncle Sam, state lawmakers had little reason to be restrained and knew that if things went really sour, the feds were going to pick up the tab.

The states passed these so-called "Me Too" laws when legislation at the federal level in the seventies and early eighties began to convince some state thrifts that life under federal rules would be more to their liking. Under heavy lobbying by state savings and loan associations (who stood to lose money and clout if they lost members), states began deregulating in the early eighties—*before* Garn-St. Germain, in most instances—with a recklessness that made politicians in Washington seem downright circumspect.

California got the most carried away, passing a law that was written and "sponsored" by the state's S&L league. The law allowed the thrifts to invest *up to 100 percent* of their assets in "service corporation activities," which translates into "shady, high-risk condo and mall deals," the very type that took the industry belly-up in the coming years. Texas and Florida passed only slightly less liberal laws. It's no coincidence that between 1987 and 1990, California, Texas, and Florida's state-chartered S&Ls accounted for more than 67 percent of the cost of the bailout.

Ed Gray, head of the Federal Home Loan Bank Board (FHLBB), which was charged with overseeing the industry, is one of the rare heros in this sordid tale. Back in 1984, he saw what was coming and began a lonely campaign to force Congress to rein in state thrifts, fighting for legislation that would limit speculative ventures and demanding more regulators. Meanwhile, Reagan's chief of staff, Donald Regan, secretly plotted to have Gray fired and Congress, stoned on the S&L lobby's $11 million in individual and party campaign contributions, sideswiped Gray at each step. (The Keating Five meeting was called, you might remember, when the now imprisoned head of Lincoln Savings was feeling the hot breath of Gray's regulators on his neck and he needed a show of congressional muscle to brush the FHLBB back.) All the obstruction tactics worked and by the time the world got wise to how insolvent the thrifts actually were, every tax payer in this country was out about $500—per finger.

So if legislators who gave us the "Me Too" laws were a major cause of the S&L collapse, then the rest of the government, as they say in counseling sessions, were enablers. Which leaves us right where we began; in dire need of a convenient repository for our national rage for a scam we'll be paying off generations hence.

Fortunately, I have a nominee. He's Pat Nolan, the California assemblyman who gave us the Nolan Amendment, the 1982 bill which cut the state's S&Ls—and Charles Keating—totally loose. Maybe we should all give him a call and tell him just how we feel. He's easy to find: he still has a seat in the California State Assembly. □

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WHO'S WHO

Observers here are curious about why **Elizabeth M. Tamposi** got fired for searching for **Bill Clinton**'s passport files while **Steven K. Berry**, the acting assistant secretary of state, who pressed her to do the searching, was merely "reassigned." . . .

Suspicions have already been, um, aroused about one of **Bill Clinton**'s better known weaknesses. Certain insiders say that Council of Economic Advisers appointee **Laura Tyson** has the ear *and* the eye of the president-elect, giving **Hillary** a new and compelling reason to sit in on some of those top-level late night meetings. . . .

Alfred DelliBovi, who has been **Jack Kemp**'s deputy at the Department of Housing and Urban Development, has found what many **Bush** administration officials are desperately searching for: a nice place to land in the outside world. Last month he became president of the Federal Home Loan Bank of New York with a salary of more than $250,000 a year. DelliBovi may have lacked one qualification for the job—he has no banking experience—but he had another, more crucial one: Kemp is a member of the Federal Housing Finance Board, which regulates the New York Home Loan Bank. . . .

What kind of man is **Leon Panetta**, the new director of the Office of Management and Budget? We went back through our files and found one clue. In 1971, **Taylor Branch**, in an article on the Legal Services Program, found Panetta to be a person "with too keen a sense of integrity and justice to be allowed to reside in this [**Richard Nixon**'s] administration." . . .

Practically everyone is aware of the major law firms represented at the top of **Bill Clinton**'s transition team: **Warren Christopher**'s O'Melveny & Myers and **Vernon Jordan**'s Akin, Gump, Strauss, Hauer & Feld. But you may not know about the other firms that have a partner on the team. They include **Mary Ann Sullivan** of Hogan & Hartson, **Thomas Williamson** of Covington & Burling, **Victoria Radd** of Williams & Connolly, **John M. Quinn** of Arnold & Porter, **Margaret M. Richardson** of Sutherland, Asbill & Brennan, **Carolyn Osilinik** of Meyer, Brown & Platt, **James Hamilton** of Swidler & Berlin, and **Peter Kadzik** of Dickstein, Shapiro & Morin. The presence of all these fine legal minds may or may not be related to the growing suspicion that there will turn out to be lots of clever loopholes in the seemingly stringent ethics code. One that has already been identified is that the prohibition against lobbying on behalf of foreign countries does not include foreign companies. So assuming that **Samuel Berger** gets a top job at State, as practically everyone expects, he will be able to go right back to lobbying for Toyota when he leaves. . . .

We hear that **David Broder**'s unusual plea on the op-ed page of *The Washington Post*, "Please Let Her Keep Her Job," may have saved the Federal Trade Commission's chairmanship of **Janet Steiger**. . . .

Patton, Boggs & Blow, where the new secretary of Commerce, **Ron Brown**, has been a partner, tries to keep both parties represented among its roster of lobbyists. Its latest addition is **Thomas Scully**, who served **George Bush** as assistant director for programs at the Office of Management and Budget. . . .

You probably have heard that **Bruce Lindsey** was **Bill Clinton**'s closest friend among the campaign entourage. Other intimates of the new president include **Skip Rutherford**, a lobbyist for Arkansas Louisiana Gas Company, which was headed by another Clinton friend, his White House chief of staff designate, **Thomas McLarty**. Other close associates include **Rodney Slater**, a member of the Arkansas Highway Commission, and **David Pryor**, the junior U.S. senator for Arkansas. The couple closest to the Clintons is said to be **Diane Blair**, a political science professor, and her husband, **Jim Blair**, who is a lawyer for Tyson Food, the company whose chickens had polluted Arkansas streams. . . .

McLarty, by the way, removed himself from transition matters related to the savings and loan industry after it was revealed by the *Los Angeles Times* that his company is a defendant in a $535 million suit by the Resolution Trust Corporation. . . .

The great master of keeping both parties happy through campaign contributions is **Dwayne O. Andreas** of Archer Daniels Midland. Other corporations that make sure they have friends in both political camps are Nabisco and Phillip Morris. . . .

The FDA is letting beauty doctors get away with using drugs and other products for purposes for which the FDA has not approved them, according to the House Government Operations Committee. These purposes include removing the patient's wrinkles and making lips "pouty." One reason the FDA may not have moved against these physicians in the eighties is that, as one FDA official reputedly said, "we have reason to believe Mrs. **Nancy Reagan** has been treated by [one of the doctors]." . . .

—*Susan Threadgill*

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Blowing up the Tracks

Stop segregating schools by ability and watch kids grow

by Patricia Kean

It's morning in New York, and some seventh graders are more equal than others.

Class 7-16 files slowly into the room, prodded by hard-faced men whose walkie-talkies crackle with static. A pleasant looking woman shouts over the din, "What's rule number one?" No reply. She writes on the board. "Rule One: Sit down."

Rule number two seems to be an unwritten law: Speak slowly. Each of Mrs. H's syllables hangs in the air a second longer than necessary. In fact, the entire class seems to be conducted at 16 RPM. Books come out gradually. Kids wander about the room aimlessly. Twelve minutes into class, we settle down and begin to play "O. Henry Jeopardy," a game which requires students to supply one-word answers to questions like: "O. Henry moved from North Carolina to what state—Andy? Find the word on the page."

The class takes out a vocabulary sheet. Some of the words they are expected to find difficult include popular, ranch, suitcase, arrested, recipe, tricky, ordinary, humorous, and grand jury.

Thirty minutes pass. Bells ring, doors slam.

Class 7-1 marches in unescorted, mindful of rule number one. Paperbacks of Poe smack sharply on desks, notebooks rustle, and kids lean forward expectantly, waiting for Mrs. H. to fire the first question. What did we learn about the writer?

Hands shoot into the air. Though Edgar Allan Poe ends up sounding a lot like Jerry Lee Lewis—a booze-hound who married his 13-year-old cousin—these kids speak confidently, in paragraphs. Absolutely no looking at the book allowed.

We also have a vocabulary sheet, drawn from "The Tell-Tale Heart," containing words like audacity, dissimulation, sagacity, stealthy, anxiety, derision, agony, and supposition.

Patricia Kean is a writer in New York City.

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As I sit in the back of the classroom watching these two very different groups of seventh graders, my previous life as an English teacher allows me to make an educated guess and a chilling prediction. With the best of intentions, Mrs. H. is teaching the first group, otherwise known as the "slow kids," as though they are fourth graders, and the second, the honors group, as though they are high school freshmen. Given the odds of finding a word like "ordinary" on the SAT's, the children of 7-16 have a better chance of standing before a "grand jury" than making it to college.

Tracking, the practice of placing students in "ability groups" based on a host of ill-defined criteria—everything from test scores to behavior to how much of a fuss a mother can be counted on to make—encourages even well-meaning teachers and administrators to turn out generation after generation of self-fulfilling prophecies. "These kids know they're no Einsteins," Mrs. H. said of her low-track class when we sat together in the teacher's lounge. "They know they don't read well. This way I can go really slowly with them."

With his grades, however, young Albert would probably be hanging right here with the rest of lunch table 7-16. That's where I discover that while their school may think they're dumb, these kids are anything but stupid. "That teacher," sniffs a pretty girl wearing lots of purple lipstick. "She talks so slow. She thinks we're babies. She takes a year to do anything." "What about that other one?" a girl named Ingrid asks, referring to their once-a-week student teacher. "He comes in and goes like this: Rail (pauses) road. Rail (pauses) road. Like we don't know what railroad means!" The table breaks up laughing.

Outside the walls of schools across the country, it's slowly become an open secret that enforced homogeneity benefits no one. The work of researchers like Jeannie Oakes of UCLA and Robert Slavin of Johns Hopkins has proven that tracking does not merely reflect differences—it causes them. Over time, slow kids get slower, while those in the middle and in the so-called "gifted and talented" top tracks fail to gain from isolation. Along the way, the practice resegregates the nation's schools, dividing the middle from the lower classes, white from black and brown. As the evidence piles up, everyone from the Carnegie Corporation to the National Governors Association has called for change.

Though some fashionably progressive schools have begun to reform, tracking persists. Parent groups, school boards, teachers, and administrators who hold the power within schools cling to the myths and wax apocalyptic about the horrors of heterogeneity. On their side is the most potent force known to man: bureaucratic inertia. Because tracking puts kids in boxes, keeps the lid on, and shifts responsibility for mediocrity and failure away from the schools themselves, there is little incentive to change a nearly-century old tradition. "Research is research," the principal told me that day, "This is practice."

Back track

Tracking has been around since just after the turn of the century. It was then, as cities teemed with immigrants and industry, that education reformers like John Franklin Bobbitt began to argue that the school and the factory shared a common mission, to "work up the raw material into that finished product for which it was best adapted." By the twenties, the scientific principles that ruled the factory floor had been applied to the classroom. They believed the IQ test—which had just become popular—allowed pure science, not the whims of birth or class, to determine whether a child received the type of education appropriate for a future manager or a future laborer.

It hasn't quite worked out that way. Driven by standardized tests, the descendants of the old IQ tests, tracking has evolved into a kind of educational triage premised on the notion that only the least wounded can be saved. Yet when the classroom operates like a battleground, society's casualties mount, and the results begin to seem absurd: Kids who enter school needing more get less, while the already enriched get, well, enricher. Then, too, the low-track graduates of 70 years ago held a distinct advantage over their modern counterparts: If tracking prepared them for mindless jobs, at least those jobs existed.

The sifting and winnowing starts as early as pre-K. Three-year old Ebony and her classmates have won the highly prized "gifted and talented" label after enduring a battery of IQ and psychological tests. There's nothing wrong with the "regular" class in this Harlem public school. But high expectations for Ebony and her new friends bring tangible rewards like a weekly field trip and music and computer lessons.

Meanwhile, regular kids move on to regular kindergartens where they too will be tested, and where it will be determined that some children need more help, perhaps a "pre-first grade" developmental year. So by the time they're ready for first grade reading groups, certain six-year-olds have already been marked as "sparrows"—the low performers in the class.

In the beginning, it doesn't seem to matter so much, because the other reading groups—the robins and the eagles—are just a few feet away and the class is together for most of the day. Trouble is, as they toil

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over basic drill sheets, the sparrows are slipping farther behind. The robins are gathering more challenging vocabulary words, and the eagles soaring on to critical thinking skills.

Though policies vary, by fourth grade many of these groups have flown into completely separate classrooms, turning an innocent three-tier reading system into three increasingly rigid academic tracks —honors, regular, and remedial—by middle school.

Unless middle school principals take heroic measures like buying expensive software or crafting daily schedules by hand, it often becomes a lot easier to sort everybody by reading scores. So kids who do well on reading tests can land in the high track for math, science, social studies, even lunch, and move together as a self-contained unit all day. Friendships form, attitudes harden. Kids on top study together, kids in the middle console themselves by making fun of the "nerds" above and the "dummies" below, and kids on the bottom develop behavioral problems and get plenty of negative reinforcement.

It's easier for educators to tinker with programs and make cosmetic adjustments than it is to ask them to do what bureaucrats hate most: give up one method of doing things without having another to put in its place. Tracking is a system; untracking is a leap of faith.

By high school, many low-track students are locked out of what Jeannie Oakes calls "gatekeeper courses," the science, math, and foreign language classes that hold the key to life after twelfth grade. Doors to college are slamming shut, though the kids themselves are often the last to know. When researcher Anne Wheelock interviewed students in Boston's public schools, they'd all insist they were going to become architects, teachers, and the like. What courses were they taking? "Oh, Keyboarding II, Earth Science, Consumer Math. This would be junior year and I'd ask, 'Are you taking Algebra?' and they'd say no."

Black marks

A funny thing can happen to minority students on the way to being tracked. Even when minority children score high, they often find themselves placed in lower tracks where counselors and principals assume they belong.

In Paula Hart's travels for The Achievement Council, a Los Angeles-based educational advocacy group, she comes across district after district where black and Latino kids score in the 75th percentile for math, yet never quite make it into Algebra I, the classic gatekeeper course. A strange phenomenon occurs in inner city areas with large minority populations—high track classes shrink, and low track classes expand to fit humble expectations for the entire school population.

A few years ago, Dr. Norward Roussell's curiosity got the best of him. As Selma, Alabama's first black school superintendent, he couldn't help but notice that "gifted and talented" tracks were nearly lily white in a district that was 70 percent black. When he looked for answers in the files of high school students, he discovered that a surprising number of low track minority kids had actually scored higher than their white top track counterparts.

Parents of gifted and talented students staged a full-scale revolt against Roussell's subsequent efforts to establish logical standards for placement. In four days of public hearings, speaker after speaker said the same thing: We're going to lose a lot of our students to other schools. To Roussell, their meaning was clear: Put black kids in the high tracks and we pull white kids out of the system. More blacks and more low-income whites did make it to the top under the new criteria, but Roussell himself was left behind. The majority-white school board chose not to renew his contract, and he's now superintendent in Macon County, Alabama, a district that is overwhelmingly black.

Race and class divisions usually play themselves out in a more subtle fashion. Talk to teachers about how their high track kids differ from their low track kids and most speak not of intelligence, but of motivation and "family." It seems that being gifted and talented is hereditary after all, largely a matter of having parents who read to you, who take you to museums and concerts, and who know how to work the system. Placement is often a matter of who's connected. Jennifer P., a teacher in a Brooklyn elementary school saw a pattern in her class. "The principal put all the kids whose parents were in the PTA in the top tracks no matter what their scores were. He figures that if his PTA's happy, he's happy."

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Once the offspring of the brightest and the best connected have been skimmed off in honors or regular tracks, low tracks begin to fill up with children whose parents are not likely to complain. These kids get less homework, spend less class time learning, and are often taught by the least experienced teachers, because avoiding them can become a reward for seniority in a profession where perks are few.

With the courts reluctant to get involved, even when tracking leads to racial segregation and at least the appearance of civil rights violations, changing the system becomes an arduous local battle fought school by school. Those who undertake the delicate process of untracking need nerves of steel and should be prepared to find resistance from every quarter, since, as Slavin notes, parents of high-achieving kids will fight this to the death. One-time guidance counselor Hart learned this lesson more than a decade ago when she and two colleagues struggled to introduce a now-thriving college curriculum program at Los Angeles' Banning High. Their efforts to open top-track classes to all students prompted death threats from an unlikely source—their fellow teachers.

Off track betting

Anne Wheelock's new book, *Crossing the Tracks*, tells the stories of schools that have successfully untracked or never tracked at all. Schools that make the transition often achieve dramatic results. True to its name, Pioneer Valley Regional school in Northfield, Massachusetts was one of the first in the nation to untrack. Since 1983, the number of Pioneer Valley seniors going on to higher education jumped from 37 to 80 percent. But, the author says, urban schools continue to lag behind. "We're talking about unequal distribution of reform," Wheelock declares. "Change is taking place in areas like Wellesley, Massachusetts and Jericho, Long Island. It's easier to untrack when kids are closer to one another to begin with."

It's also easier for educators to tinker with programs and make cosmetic adjustments than it is to ask them to do what bureaucrats hate most: give up one method of doing things without having another to put in its place. Tracking is a system; untracking is a leap of faith. When difficult kids can no longer be dumped in low tracks, new ways must be found to deal with disruptive behavior: early intervention, intensive work with families, and lots of tutoring. Untracking may also entail new instructional techniques like cooperative group learning and peer tutoring, but what it really demands is flexibility and improvisation.

It also demands that schools—and the rest of us—admit that some kids will be so disruptive or violent that a solution for dealing with them must be found *outside* of the regular public school system. New York City seems close to such a conclusion. Schools Chancellor Joseph Fernandez is moving forward with a voluntary "academy" program, planning separate schools designed to meet the needs of chronic troublemakers. One of them, the Wildcat Academy, run by a non-profit group of the same name, plans to enroll 150 students by the end of the year. Wildcat kids will attend classes from nine to five, wear uniforms, hold part-time jobs, and be matched with mentors from professional fields. Districts in Florida and California are conducting similar experiments.

Moving away from tracking is not about taking away from the gifted and talented and giving to the poor. That, as Wheelock notes, is "political suicide." It's not even about placing more black and Latino kids in their midst, a kind of pre-K affirmative action. Rather, it's about raising expectations for everyone. Or, as Slavin puts it: "You can maintain your tracking system. Just put everyone into the top track."

That's not as quixotic as it sounds. In fact, it's long been standard practice in the nation's Catholic schools, a system so backward it's actually progressive. When I taught in an untracked parochial high school, one size fit all—with the exception of the few we expelled for poor grades or behavior. My students, who differed widely in ability, interest, and background, nevertheless got Shakespeare, Thoreau, and Langston Hughes at the same pace, at the same time—and lived to tell the tale. Their survival came, in part, because my colleagues and I could decide if the cost of keeping a certain student around was too high and we had the option of sending him or her elsewhere if expulsion was warranted.

The result was that my honor students wrote elegant essays and made it to Ivy League schools, right on schedule. And far from being held back by their "regular" and "irregular" counterparts, straight-A students were more likely to be challenged by questions they would never dream of asking. "Why are we studying this?" a big-haired girl snapping gum in the back of the room wondered aloud one day. Her question led to a discussion that turned into the best class I ever taught.

In four years, I never saw a single standardized test score. But time after time I watched my students climb out of whatever mental category I had put them in. Tracking sees to it that they never get that chance. Flying directly in the face of Yogi Berra's Rule Number One, it tells kids it's over before it's even begun. For ultimately, tracking stunts the opportunity for growth, the one area in which all children are naturally gifted. □

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Executive Sweet

Think the last round of perk-purging got them all? Take a glimpse at the high life in the White House

by Christopher Georges

"Imagine what it's like to fly first class on the best airline," says one Bush aide. "Well, think of one level better; now you're getting close to what White House travel is like." Bragging perhaps, but the sad truth is that he's right. And the perks don't just come at 20,000 feet; back on earth there's the White House Mess, the 29-car limo fleet, the health care benefits, the free gym, and more. How could this be, you ask? Didn't they clamp down on all those White House freebies back when they put the House bank out of business? Not a chance. Despite the podium pounding and the mea culpas from congressional and White House big wigs over perks, the dirty little secret on West Executive Drive is that as far as White House goodies go, it's business as usual.

And quite a business it is. The White House employs a staff of nearly 100 butlers, doormen, maids, drivers, chefs, waiters, "gift analyzers," florists (four of them), and calligraphers (five). Travel costs for the president and his staff come to more than $100 million annually. The total budget for White House expenses? About $150 million. The real cost of presidential perks, however, can't be measured in dollars, but by the attitude it engenders among the president's top aides. Eating lunch, for example, means a short walk down to the Mess where the waiter (who has been your personal waiter for the past two years) sits you down (at the table with an engraved pewter ingot that bears your name), and serves you a drink (which you didn't have to order because he already knows what you like). After that kind of treatment, you might just feel a little grander than the average person.

Of course, with the arrival of Bill Clinton, there's some hope that this may change. After all, central to his anointment was his ability to

Christopher Georges is an editor of The Washington Monthly. *Research assistance was provided by Elliott Beard and David Smyth.*

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convince people that he does in fact empathize with the average American; that he's as likely to lunch at a Northeast McDonald's as at the West Wing Mess. But there's no guarantee that the Clintonites won't rely on the same arguments as have administrations before them to preserve their special status—namely that the perks make them more efficient and the freebies are no grander than those enjoyed by, say, business leaders or high priced lawyers.

Care, free

That, of course, may be true, but it's also true that their private sector counterparts don't make policy for the rest of America. Which is why the issue of perks can't simply be dismissed, as it often is, as a matter of a few harmless goodies that make life just a little bit easier for hard working White House staffers. Consider the health care perk, which is arguably the most damaging of them all, as it can easily blind top policymakers to the urgency of the nation's problem. White House big shots not only automatically receive the very best of health insurance plans (for just $100 per month), but have access to some of the best doctors and most sophisticated medical facilities in the nation. The White House medical unit, led by the president's personal physician, is on call 24 hours a day to care for any medical emergencies that any White House brass or Cabinet members may encounter. And while the nation's first doctor and his staff won't offer regular checkups, the office does work as a referral service. "We'll make sure you get into the best location at the best price," said President Bush's physician Dr. Burton Lee III. If such solicitous service were not a given at the presidential mansion, we might today be debating how to improve on our universal health care plan instead of still trying to create one.

At the other end of Pennsylvania Avenue, Congress, although still clinging to some of its perks —such as free parking in and around the Capitol and at airports, amnesty from parking tickets in D.C., and limousine privileges—has at least cut out some of its freebies. Gone are the discount gym, car wash, and haircuts, free flowers, bargain gift shop, and House bank. It wouldn't hurt for the Clinton administration to pick up where Congress left off. No one, of course, wants our government leaders to go without health insurance or be forced to walk to lunch in the rain, but as Clinton's top aides find themselves drawn into the presidential bubble, one way they can keep their feet on the same ground as—and their ears attuned to the problems of—the rest of America, is to close the gap between the way the White House staff and the rest of us live.

And just what sacrifices would that entail? For one, it would mean making travel with the president a little less regal. Here's a sketch of what it's now like to be a part of the president's travelling entourage:

About the only strain is getting yourself and your bags to your White House office. Once there, a member of the trip crew will ferry your personal belongings to the plane. A limousine or helicopter will be waiting outside the White House to rush you to Andrews Air Force Base where you'll board Air Force One. Once in your seat (and every seat is first class caliber), you'll most likely be served—even though you didn't place an order for—your favorite drink in a crystal glass. "The stewards make it a point to know what each of us likes," explains one White House frequent traveller. "And from then on, the flow of food and service is endless"—which helps explain the $40,000 per hour cost of maintaining the plane. Perhaps you need to conduct some business? Secretarial support is at the ready to place a call or take a memo. "It's what I call 'low impact travel,'" explains one Bush aide. "High impact travel is lugging your bags to the airport, standing in line, and arguing when you can't get a seat. None of that here."

Once you've touched down, the presidential party is led to the waiting motorcade, which is where perk-mongering can get competitive. The goal is to land yourself a seat in one of the frontmost cars, known as the "secure package"—the group of limos that carry the president, his most trusted advisors, their aides, and various other hangers-on. Why the pressure to get in (aside from the glee of inciting the envy of your co-workers)? The secure package takes you from the airport to the most convenient of disembarking points, perhaps a special entrance to the hotel. The rest of the president's court will be unceremoniously dropped off perhaps a few yards away from the hotel entrance and face the humiliation of hoofing it to the lobby from the curb.

Once at the hotel, you can keep your Ramada Reward card in your wallet. Accommodations are almost always first class (the Four Seasons in Beverly Hills—at about $300 per night for a single room—and the Marriott in Century City—at about $200 per night—were two of Bush's West Coast favorites). Inside, staff escorts will be waiting to take you to your room. (In fact, during the trip, you'll never have to deal with anyone but federal employees.) No mad scramble to the check-in counter here. Your room is preselected and your bags (remember, the last we saw them was in the White House) are there waiting.

For those annoying cases when your escort forgets which room is yours, you're still in good shape. Staffers' names are written in calligraphy on cards

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placed on their room doors. And if you're worried about drawing a room with, say, the Simpsons next door, no sweat. Presidential parties don't reserve rooms, but floors. The big shots, such as the Bakers and Scowcrofts, will get suites while the rest will have to make do with singles. To soften the blow, however, each staffer will be greeted with a basket of fresh fruit and a cheery note from the manager.

But before taking a bite out of that mango, check the phone to see how you're doing in the White House pecking order. If you're a bigfoot, your phone will have already been rewired so that it is part of the White House system back in D.C. No need to trouble yourself hitting that nasty eight key to place a long distance call. But pick up the phone and get the hotel operator, and you'll know you're still not in the upper echelons of the White House staff.

And what's it like when it's time to leave the hotel? Consider the eight day, May 1989 presidential trip from D.C. to Rome, Brussels, Bonn, and London, which cost taxpayers more than $1.5 million to move and house 107 staffers (including, among others, an assortment of assistant press secretaries, scheduling secretaries, and personal aides to the First Lady). For one 15-minute drive down London's Downing Street to attend a reception hosted by Prime Minister Margaret Thatcher, a few dozen staffers were ferried by a caravan of 18 vehicles. The first four held the president, a British dignitary, and secret service. The next held John Sununu, followed by cars carrying Marlin Fitzwater and James Baker. In the middle cars were Brent Scowcroft, Margaret Tutwiler, Andrew Card, and the White House chief of protocol. Then came various aides, empty follow-up vehicles, a camera car, police cars, ambulances and, last and least, the press van.

Eventually, of course, the entourage comes home, and while life isn't nearly as cushy, no one's griping about the comfort level at 1600 Pennsylvania. Perhaps the most coveted of White House perks is the right to dine in the White House Mess—which is to lunch what Steuben is to glass. "The beauty is not the room or the food," explains one Bush aide, "but the prestige. It's the ultimate invitation."

How so? Executive Mess rights are the precious privilege of about 30 of the president's top aides, including Cabinet secretaries, assistants and deputy assistants to the president. "Many will call, but few are chosen," explains one aide with a seat in the Mess. (It's called the Mess because it's operated by the Navy.) That seat entitles him to breakfast or lunch (no dinner is served there) in the tastefully appointed room—seven tables, wood paneled walls adorned with pictures of Navy carriers, upholstered seats—located in the White House basement.

Upon arriving for lunch at the Mess, you're greeted at the door by a Navy steward who, of course, knows your name and where you like to sit, which is likely to impress even the most cynical of guests. On the way over to the table, chances are good you'll pass by the president. While the meals are not extravagant, the food is top quality, similar to what you might find at a small, fine restaurant. The menu changes daily and there's always a fresh fish of the day, as well as an assortment of salads. (Thursday—Tex/Mex day—is especially popular, staffers eagerly volunteer, as is Friday—crab cake day.)

Of course, the food's not free, but none of those I talked to knew the price of the meals. Why not? Everything goes on a monthly tab. But, they assured me, the costs were about 25 percent cheaper than what you'd find in a comparable restaurant in the outside world.

For those who don't make it into the top 30, you can watch with envy, but in sufficient comfort, from the Staff Mess located next door. Hardly a booby prize, Staff Mess privileges are doled out to about 100 White House workers, mostly commissioned officers to the president. The main difference is basically prestige, as the kitchen is shared, but the walls are there so the big shots don't have to rub elbows with the lower echelons of the staff.

Limousine conservatives

If you do decide to take your lunch—or any excursion—outside the compound, you can show off your special status by making use of the White House's limo service. Simply call down for a car and a Chrysler New Yorker (equipped with a car phone) will be at the ready to ferry you three blocks or 30 miles. For most staffers, the only place the cars won't take you is home. That perk, known as portal to portal, is reserved for Cabinet secretaries, deputy Cabinet secretaries, and any six aides the president chooses. In the past, portal to portal privileges have gone to the chief of staff, the chief economic advisor, the national security advisor, the budget director, and the chief of protocol.

Other goodies, such as free parking on West Executive Drive just outside the White House, certainly make life easier for the staff, but ultimately drive a wedge between the leaders and the led. White House biggies also have access to the president's private tennis court, located on the South Lawn. (It's a single, hard surface court that one staffer complained "is on a slant.") For rainy days, there's the private gym in the basement of the Old Executive Office Building, complete with weights, a tread mill, exercise bike, nautilus machines, sauna, jacuzzi, and shower.

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(The swimming pool, bowling alley, and movie theater are reserved only for the president, his family and guests.) And about 100 of the top staff can sign up to use the presidential box at the Kennedy Center, which seats up to twelve. (Use of this perk, however, was frowned upon in the Bush White House. "They made us jump through hoops to get them," groaned one aide.)

While the Bushies may have been forced to rely on some savvy to cash in the free tickets, it's a far cry from the attitude in the Carter White House, which marked the last time there was any attempt to keep a lid on the perks. Carter perhaps took too personal a role in restricting perks (as when he insisted that he personally monitor the list of who was using the White House tennis courts), but his heart was in the right place. When he closed down the Executive Mess (which Reagan later restored) and insisted that Kennedy Center tickets be issued only as rewards for exemplary work, he knew he was not only sending a signal to America that White House staff are no more special than the rest of us, but a message to his team not to forget whence they came.

Bill Clinton can't rely on Congress to send that message to his staff. (While there is currently a bill pending in Congress dealing with White House expenses, the furthest it goes is requiring the White House to disclose exactly how it spends its operating budget.) Only the president can set the tone.

If he doesn't, he'll be faced with the same kind of attitude expressed by one senior level Bush White House aide, who remarked that "It's not important to me that Brent Scowcroft knows the price of peanut butter, but it is important that he knows what's going on in Somalia." Scowcroft is, no doubt, a smart guy. There's no reason why he—or whoever fills his office in the White House—shouldn't know both. □

Transition Admission

A former Bush administration insider explains why a lot of fancy-titled jobs in the White House aren't as important as they sound

by Ed Rogers

At about this time four years ago, I thought I was one of the most popular people in Washington. My job: organizing the staffing of the White House for a new administration. It's not as grand as it sounds. After all, only about 300 people technically work directly for the president, meaning that the White House transition was only a small part of the overall transition. But the 300 jobs that Andy Card and I were responsible for were unquestionably among the most prized in town. And with good reason: The White House staff is the hub of the president's machinery; their actions (or lack thereof) vitally shape the nation's image of the president and the success of his policies.

With the benefit of hindsight, I'll be the first to admit that in assembling the White House team we made some mistakes—not in whom we chose, but in how we organized the staff. But in some ways, that's to be expected; the White House does not come with an owner's manual. There is no mission statement and no crisp, "Welcome to the White House, this is how to make it work for you." This bodes especially ill for the Clinton White House transition team: After all, four years ago, we were involved in a friendly takeover; that is, the administration before us had every reason to caution us about the mistakes they had made.

But that doesn't mean Clinton's White House transition team can't avoid the same pitfalls we fell into. The Clinton people are not suffering from a lack of advice, but take it from someone who's been there: As the transition continues over the next few weeks and months, seemingly minor organizational mistakes made now will balloon into major obstacles to implementing policy down the road. A smartly organized and staffed White House is as important to meeting your mission as the ideas themselves. And what does that mean for the White House transition team? First, they should step back, reflect on what

Ed Rogers, former executive assistant to White House Chief of Staff John Sununu, is a Washington attorney. Illustrations by Bill Holbrook.

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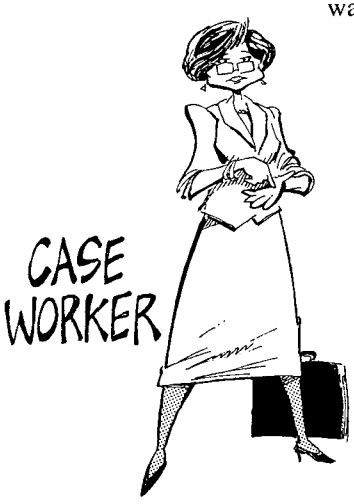
they want to accomplish and then build their staff from there. Second, they need to understand the unique roles of the White House staff.

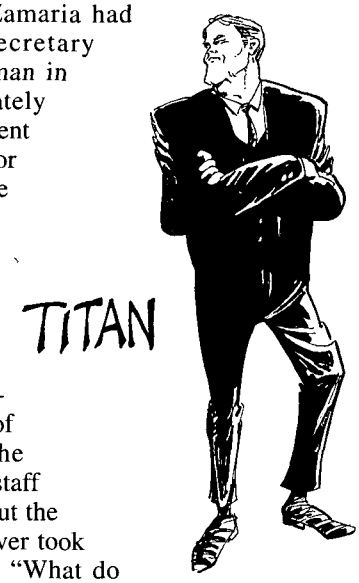
It was soon after the 1988 election that John Sununu, the newly-named chief of staff for President-elect Bush, put Card and me to work overseeing the White House transition. Because Bush, James Baker, and Sununu were preoccupied with selecting the Cabinet, determining who would run the National Security Council, and who would write the inaugural address, they left us to work out the transition details. We were to assign mid- and low-level staff to their posts, based, of course, on the gentle (and sometimes not-so-gentle) guidance of people like Sununu, Atwater, Darman, and Baker. We also were to decide on White House goodies, such as who got offices in the West Wing, as opposed to the Siberia of the Old Executive Office Building, and who got to attend the 7:30 a.m. senior staff meeting in the Roosevelt Room.

Though both Card and I had worked for years as mid-level staffers in the Reagan White House, we were essentially clueless, especially when it came to the first order of business: résumés. Set up in our small suite, we innocently requested all the résumés of people who expressed an interest in working at the White House. We even arranged a clever routing system. It took about 72 hours for that charade to end. By then, we were mired in 12,000 CVs. I felt like I was trying to take a sip of water from a fire hydrant. There was barely enough time and staff to shovel the résumés into huge crates and ship them off to a storage bin, officially known as Central Résumé Management (where I presume they remain to this day), let alone read them. Which leads me to offer some friendly advice to Democratic job seekers: There are lots of ways people get jobs in the White House, but one of them isn't by sending in your résumé.



How did people get in? Lee Atwater, for example, might stop by our office, pull up a chair, hand me four résumés and say, "I want these people to get jobs. Call me back later today and let me know where they will be working." They were usually people who had been in the Republican community or had played a role in the campaign. Remember, the process doesn't get people jobs, people get people jobs.

Although Bush didn't worry inordinately about us and our little transition mission, every so often he would call up and say something like: "I've asked Rose Zamaria to come up and help us out." We'd say, "Yes sir, sounds great to us," and then hang up and say "Rose Who? What's she supposed to do?" It turned out that Rose Zamaria had been Bush's personal secretary when he was a congressman in the sixties and she ultimately proved to be a very competent director of administration for the White House. But at the time, we had to guess whether she would work for us, or we for her.



But even with Rose's help, what got lost in the crush of events during that two-and-a-half month transition period was any sort of vision about what was the best way to organize and staff the White House to carry out the president's mission. We never took the time to ask ourselves, "What do we want the White House to do and what people do we need to do it?" We simply took the Reagan organizational chart, erased the old names, and wrote in new ones.

If we had taken the time to reflect on our mission, we would certainly have done things differently. We might have realized, for example, the messy staffing relationship between the White House and the Office of Management of the Budget (OMB). We failed to see that an associate director of the OMB has infinitely more power than most members of the White House staff, yet we never integrated such staffers into the daily grind of the White House, where they would have had greater access to key meetings and top White House decision makers.

Reflecting on what you want to accomplish also means being patient. We thought that the faster we filled out the White House staff chart, the sooner the Bush administration would be moving full steam ahead. We couldn't have been more wrong. The White House, like most federal agencies, has a staff and budget cap, one which we hit after a few weeks. That came back to haunt us about six months later when it became clear who had real ability and who didn't. Only then did we realize that, having hit our limit, we could not allocate any more resources to the talented. Clinton's transition team would be wise to fill no more than two thirds of the slots, and then wait. It may seem foolish now when they're

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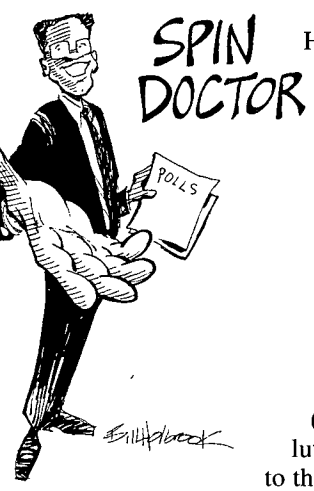
rearing to go, but come July, they'll be grateful they did.

All the president's toadies

Picking the right people is one matter; understanding what these people should be trying to accomplish is quite another. The latter, however, is just as essential to staffing the White House. A good policy person, for example, might be inept at selling his ideas to Congress or interest groups. Thus, even though you want him around and perhaps owe him a huge favor for months of campaign work, he'd be wasted in most White House jobs. If Clinton's team is going to have any hope of making its ideas stick, it'll need the right kinds of people in the right places. The first step in that direction is understanding what those places are.

The mission of the White House is to create, promote, and defend the president's policies. At any given time, every senior person in the White House is working on one of the following activities: 1) dealing with Congress; 2) dealing with the departments and agencies; 3) dealing with the press; 4) dealing with state governments, special interest groups, and partisan political matters; 5) dealing with each other; 6) dealing with the national security, foreign policy and intelligence communities; 7) preparing remarks for the president and; 8) overseeing the creation of the federal budget.



Unfortunately, new White House staffers will soon discover that only the last three categories (foreign affairs, speeches, and the budget) present any opportunity for real power—that is, the capacity to commit the president and the administration to substantive policy positions. Most people in the White House, even those with high visibility jobs, don't have any real power. (Don't be fooled by the hifalutin' titles. The deputy assistant to the president for intergovernmental affairs, for example, will spend most of his hours returning phone calls from state and local officials who either want routine information or are trying to get someone a job.

Regardless of the new plans and priorities that Clinton brings to Washington, the staff roles in the White House will have to be a lot like those under Bush, Reagan, or for that matter, Carter and Johnson. If you are going to work in the White House as a "commissioned officer to the president," you have a right to feel proud. However, your job will fall into one of four categories:

Titans

Titans have real power and are the president's most trusted advisors. They can commit the administration to substantive policy positions and commit government resources to projects and initiatives. They can speak for the president without his prior approval on a wide range of issues. Most final decisions are made only after consulting with them, and instructions to the rest of the White House and administration flow from the president through this group. When I was in the White House, the Titans were Sununu, Darman, and National Security Adviser Brent Scowcroft. Only the president can pick the Titans who, in turn, will probably pick most of the rest of the staff.

Most notable about the Titans is that there are only a few of them and they work to keep it that way. That's the point. If you struggle to become a Titan, you will fail. I saw many mid-level staffers try—some by going over their bosses' heads to send a memo to, or get face time with, the president. They were, without exception, smothered by the Titans.

Caseworkers and Spin Doctors

Caseworkers and Spin Doctors are senior staff members who have sizable turf or portfolios that involve them in various issues and provide significant visibility inside the Beltway. While they often have important-sounding titles like deputy assistant to the president for policy development, they have no real power. They cannot commit the administration to substantive policy positions on their own and their responsibilities are narrower than that of Titans. From time to time, Caseworkers and Spin Doctors work directly with the president, but day-in and day-out, they work for the Titans.

For the most part, the jobs are challenging, but being a Caseworker or Spin Doctor will also entail a great deal of whining about being underutilized. Ask one how he's doing and you're sure to hear about how he's not getting enough time with the president or Titans, that the issues he handles should be more of a priority, or that if the people up the line only understood his issue better the president would be better off.

Caseworkers, such as those who work in congressional or intergovernmental affairs, work with other government agencies, branches of the federal govern-

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ment, or elected officials across the country. A typical caseworker (there are about two dozen of them) might be a special assistant to the president for legislative affairs, perhaps a 10-year veteran of the Hill, about 40 years old, and will spend a great deal of time tracking policy development in the agencies and legislation on the Hill. Caseworkers will also be stuck with handling routine requests from Congress, the Cabinet, and state and local officials, for meetings, jobs, political favors, information, trinkets, and White House tours.

What they do *not* do is determine presidential support for legislation, nor do they have a hand in setting an agency's budget. These remain the domain of the president and Titans.

Spin Doctors deal with the media and special interest groups. They spend their time dispensing the company line. The White House press office states the official line directly to the media everyday, most notably in the morning briefing. But there will also be a shop in charge of out-of-town and specialty media. A third level of the spin operation is the Office of Public Liaison (OPL), made up of about two dozen or so staffers who have the thankless job of dealing with virtually every imaginable constituency —from AIDS victims to hunters—trying to convince them that their concerns are being heard and that the administration is on their side.

Titans evaluate the performance of Caseworkers and Spin Doctors in part by how successful they are at limiting the number of appeals from interest group leaders, Cabinet members, and members of Congress. In other words, if a Caseworker or Spin Doctor keeps such people out of the Titan's hair, it must mean things are going smoothly. Caseworkers and Spin Doctors are also evaluated by Titans on how effectively they disguise their true desire: to be thought of as Titans. Clinton White House staff members may have a hard time accepting this. In fact, some Caseworkers and Spin Doctors can serve in the White House for years and never accept that they are not Titans, nor that many assistant secretaries in the various federal agencies have more impact on policy than they do.

Clerks

A Clerk is a multipurpose staff person who works directly for a Titan, Caseworker, or Spin Doctor. Each of the dozen or so Clerks does not have any discretionary authority or specific portfolio aside from the assignments delegated by the boss. Instead, Clerks control their boss' in-boxes and out-boxes, keep them on time, relay routine information and intelligence, and attempt to follow up on their boss' commitments and responsibilities. In short, Clerks are to Titans what the chief of staff is to the president. As the executive assistant to the chief of staff, most of my responsibilities were in the clerk category.

A typical Clerk is in his or her late twenties or early thirties, is often a generalist, and is likely to have either known his boss from before his appointment or may have worked on the campaign. (Clerks are people who often aspire to become Titans, and occasionally they become Caseworkers or Spin Doctors, but usually they remain Clerks.) Because they spend a great deal of time with their boss, they are able to serve as a sounding board for other senior staff members. They often speak for their boss or at least can provide best-guess analysis on how their boss will react in certain situations. At times, they might be required to meet with people who the Titan has no time —or desire—to see. If you're on the other end of such a meeting (that is, getting scheduled to meet with a Clerk instead of his boss) take it as a bad sign. Perhaps their most important function, however, is to inform other staff members when it is best to approach the Titan and when best to keep away.

Influence piddling

In some ways, the roles of the White House Clintonites will be very similar to their Republican ancestors. Titans will always be few in number. The Titan Wall is high, virtually impregnable, and is manned by ever-vigilant Titans. Fate, as much as ability or maneuvering, will make Titans. If staff members don't understand this, a lot of talented Democrats who should enjoy the opportunity they have been given will instead be quietly seething, desperately seeking to be—or at least be perceived as—something they are not. (The good news to remember, however, is that no matter what you are in Washington, a Spin Doctor, Caseworker, or even a Clerk is a hero back home.)

But some things about the White House can and should change. If the Democrats are smart, and serious about the endeavor they are about to set out on, it behooves them to make the link between their mission and their management of the White House. □

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TIDBITS & OUTRAGES

"WHEN I TOLD HIM ABOUT MY PLANS TO MAKE MASSACHUSETTS THE NUMBER ONE FOOTBALL POWER IN THE COUNTRY, HE DIDN'T SAY A WORD."
The Springfield, Massachusetts, *Union-News* reports that David Bischoff, the former head of athletic programs at the University of Massachusetts, charged the university for travel expenses and lunch for a meeting with a stadium engineer who had died two years earlier.

"FOR THE FIRST ANNUAL ATWATER AWARD, THE ENVELOPE, PLEASE."
A television spot used by Ohio Republican Margaret Mueller during her congressional campaign last fall quoted unproven allegations of physical abusiveness made against her opponent by his ex-wife during their divorce six years ago.

NOW WE KNOW WHAT THOSE GUYS MEAN WHEN THEY SAY THE ECONOMY IS IN A "SLIGHT DOWNTURN"
In its review of Rush Limbaugh's book, *The Wall Street Journal* described the talk-show host as "slightly corpulent."

NARROWLY EDGING OUT THE EXXON VALDEZ
Shortly before the U.S. Navy aircraft carrier Saratoga accidentally fired missiles upon a Turkish destroyer, killing five Turks and wounding 15, the carrier's operations department was honored as the best in the Atlantic Fleet.

AT LEAST THEY GOT HIS NAME RIGHT
The *Seattle Times* recently ran the following correction: "Mike Lowry is the Democratic candidate for governor. In a correction in part of one edition yesterday, he was erroneously described as running for the U.S. Senate. That correction rectified an error the day before in an election results chart, which identified him as a Republican."

WHEN PRESSED BY CRITICS FOR CONCRETE RESULTS OF THE MANNED SPACE PROGRAM, NASA OFFICIALS IMMEDIATELY PROVIDED AN EXAMPLE
During a recent space shuttle mission, flight commander James Wetherbee disclosed that zero gravity causes tapes and CDs to skip.

—Scott Sauger

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How Washington Really Works

Why surviving in D.C. is more about going through the motions than actually doing something

by Charles Peters

A few days after Bill Clinton's victory in November, I happened to be on a television talk show with one of the bright young members of the president-elect's transition staff. His excitement and dedication were transparent and touching. But I was troubled by his confidence, bordering on arrogance, and the sense he conveyed that he and his colleagues were too smart to be taken in by Washington. I remembered that I had felt the same way when I came to Washington to work under John Kennedy in 1961. One reason for this article is to warn other similarly innocent and overconfident newcomers of the things I hadn't known and later wished I had known when I started out in this city.

There are some other members of the Clinton team for whom excessive innocence is clearly not the problem. But even seasoned veterans of the Washington scene usually know only the trade secrets of life in the branch in which they serve. Mutual ignorance of one another's world is often embarrassingly obvious, as when an executive branch witness testifies before Congress. So this article is intended to help the congressman understand the questions he should ask the executive branch, to give the witness an understanding of the pressures on the congressman, and to make each side aware of the games the other is playing.

Lastly, this is intended to help the permanent outsider—the Mr. Smith who never comes to Washington—understand that most of what our government appears to do is make-believe carried on for the benefit of those in office. The present system is designed to protect those within it, not to serve those outside. I hope this article will make the Mr. Smiths want to change it. Even if Bill Clinton has the best intentions in the world, he is going

Charles Peters is editor in chief of The Washington Monthly. *This article was adapted from his book* How Washington Really Works, *published by Addison-Wesley.*

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to need the strong support of the people to bring about genuine change.

Although this piece may sound cynical to many, I sincerely believe that the system can be changed. For anybody of my generation, it's necessary only to think back to the early months of our involvement in World War II to realize how dramatically government's performance can improve. Our triumph at Midway in 1942, one of the greatest naval victories in the history of the world, came just six months after the disaster at Pearl Harbor, a tragedy that demonstrated how abysmally inefficient and oblivious to reality government at its worst can be.

Unfortunately, in recent years our system has too often functioned as it did at Pearl Harbor. I want to see more Midways in the wars against hunger, disease, ignorance, injustice and war itself, as well as in the military battles we may be unable to avoid. And I know the Midways will happen only if we learn the lessons of the Pearl Harbors.

Media botch

The first key to understanding Washington is "make-believe." Washington is like the Winter Palace under Nicholas and Alexandra, where earnest discussion about the lot of the poor went on continually but was seldom accompanied by effective action. In Washington, bureaucrats confer, the president proclaims, and Congress legislates, but the effect on reality is usually negligible if evident at all. The nation's problems don't disappear, and all the activity that is supposedly dedicated to their solution turns out to be make-believe.

All too often the press, instead of exposing this make-believe, is part of the show. It dutifully covers the apparent action—the announcement of programs, the enactment of legislation—rather than finding out how the programs are executed and the legislation is implemented or what the government is not doing about crucial problems.

Suppose, for example, a mine safety bill is being considered by Congress. There is little possibility that the press, even C-Span, will cover the committee hearings. What will probably happen is there will be little or no coverage until the bill's passage is near, when there might be a story briefly summarizing the positions of the bill's advocates and opponents and appraising the likelihood of passage. When the bill is passed, a reporter may appear on the evening news, standing on the steps of the Capitol and solemnly intoning, "Today, Congress passed the Mine Safety Act of 1992." But all this denotes is the appearance of action. Nothing has yet happened in the mines. And it is almost certain that no reporter will go down into the mines to find out if anything ever does. Thus, the reality of what happened, whether the bill made the mines more or less safe, will not be investigated or reported—until there is a major mine disaster somewhere in Appalachia. Readers who doubt this scenario might consider what happened when the savings and loans were deregulated during the eighties. Can they recall any of the national press visiting individual S&Ls to find out what was going on?

There is no better example of journalism as part of the show than the press conference. The appearance is adversarial—tough reporters asking tough questions. The reality is far different. "We tried to identify people to ask softball questions," writes Ronald Reagan's press aide, Larry Speakes, in his book *Speaking Out*. And Reagan, instead of giving spontaneous answers to those questions, was prepped by his staff to reply in the way least likely to give political offense.

Until 1992, when the recession could no longer be ignored, George Bush was very successful at keeping the topics raised at his press conferences confined to foreign policy—a subject he felt far more comfortable with than domestic issues. According to a study conducted by *The Washington Monthly*'s James Bennet, fully two thirds of the questions asked at presidential press conferences between January 1989 and September 1991 were about foreign affairs. Amazingly, this tally excluded conferences devoted to the Gulf war where questions about foreign policy would have been expected to dominate. During the same period, Bush answered only four questions about AIDS and only two questions about the dozens of bank failures.

One reason press conferences are so tame is the "beat" system, under which reporters are assigned regularly to the White House, Congress, the Pentagon, the State Department, and other agencies. Preoccupied with keeping up with the daily flow of news provided by officials, and anxious not to offend these sources lest he be cut out of the stories given to his competitors, the average beat reporter seldom has the time or inclination to delve into what's really going on behind the scenes.

Every high official has a press secretary or public information officer, who, in turn, often has his own platoon—and sometimes army—of assistants. All these people constantly feed reporters the news they want them to get. They issue a press release almost every day to make sure reporters are aware of whatever their bosses have said or done that can be made to look good. And they coddle reporters in a warm cocoon of perquisites.

The White House even arranges for reporters' families to tag along on presidential trips—at one

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third to one half the cost of ordinary fares—to places like Santa Barbara and Kennebunkport. The reporters' part of the bargain is to participate in the make-believe that real news is being made in these places rather than just routine statements between rounds of golf.

During the Gulf war, reporters were housed in luxury hotels like the five-star Dharan International, where the poolside area near the TV cameras was called "Little Hollywood." (Those blue domes you saw in the background were not mosques but cabanas.) Some tried to break out of their pleasant prison but most were willing to settle into the comfortable routine of being spoon-fed at daily briefings.

Beaten reporters

People who have reached the top levels of government have usually attained their positions at least partly through their skill in handling journalists. They know how to make themselves look good and they also know how to divert attention from the less flattering stories. Reporters who become dependent on those officials, as most do, simply don't get the truth about what is wrong. The most spectacular example is the case of the White House press corps during the unfolding of the Watergate and Iran-contra scandals. Not one of the scores of journalists assigned to full-time coverage of the White House played any part in breaking these stories. They had been spoon-fed for so long that they had lost the habit of independent inquiry.

The men who got the Watergate story, Bob Woodward and Carl Bernstein of *The Washington Post*, did so not by asking questions of the White House press office, but of personal secretaries and middle-level executives, like Hugh Sloan, the assistant treasurer of the Committee to Re-elect the President.

Similarly, in the case of the *Challenger* disaster, the people who could have blown the whistle if reporters had asked were middle-level officials, like Richard Cook at NASA and Allan McDonald of Thiokol, who saw the danger but were ignored by both their bosses and the press.

Just as guilty as beat reporters are the powerful syndicated columnists, who are particularly susceptible to being conned by their important sources. Because they have to turn out several columns a week, they have little time to piece together stories from dozens of interviews. Talking to a few top officials who supposedly know the whole story is therefore irresistibly appealing. (When Tom Braden was embarking on his career as a Washington columnist, one of the reigning journalistic eminences of the era, Stewart Alsop, advised him to be sure to talk to three important people each day.)

The trap for a journalist is that he becomes obligated to protect his source. The more access he is given, the harder it is to criticize—at least until the source's star begins to decline. As a veteran Washington journalist once put it, "We will give immunity to a very good source as long as the information he offers us is better than what we have on him." Michael Deaver is a prime example of how this works. While he was in the Reagan White House and regularly leaking stories to his favorite reporters—namely Lou Cannon of *The Washington Post* and Laurence Barrett of *Time*—scarcely a bad word was said about him in either publication. But once he resigned and went into public relations, he became fair game and many unfavorable stories about him appeared in both.

James Baker's protected status as a favorite source was illustrated by the story of the $2.9 million worth of stock he held in the Chemical National Bank, which he did not disclose while, as secretary of the Treasury in Reagan's second term, he was making decisions favoring major banks like Chemical. If a Bert Lance or Ed Meese had been guilty of the same thing, editorials demanding his head would have appeared, followed by a congressional investigation and the appointment of a special prosecutor. But when word of Baker's holdings finally got out in early 1989, there was hardly a murmur from the reporters, who were so dependent on him that they could not face losing the leaks he provided.

Reporters have good reason to fear the anger of good sources. When Larry Speakes was upset by an item in a *Washington Times* gossip column alleging that Nancy Reagan wanted to get rid of him, he ostracized Jeremiah O'Leary, the paper's White House correspondent, until the editor of the *Times* informed him that the columnist's contract was not being renewed.

By 1985, a historic development in the Washington press corps was clear enough for Charlotte Hays and Jonathan Rowe to describe in an article in this magazine called "Reporters: The New Washington Elite." Woodward and Bernstein had already given journalism glamour and status with the Watergate story. Then television conferred superstardom on "60 Minutes" reporters and on the panelists on various discussion shows. There was something good about the recognition accorded the hard digging that Woodward and Bernstein and the "60 Minutes" people had done. But when the panel show pontificators became celebrities, commanding huge fees on the lecture circuit, something very bad happened to journalism. As John Herbers, an editor at *Governing* magazine and for many years a Washington correspondent for *The New York Times* put it, "The pre-

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vailing orientation of Washington journalists began to change from populist, working middle class to moneyed elite."

The result of this change, says Hodding Carter, a columnist for *The Wall Street Journal*, is that:

> The top journalists move in packs with the affluent and powerful in Washington. They swarm with them in the summer to every agreeable spot on the Eastern seaboard. When any three or four of them sit down together on a television talk show, it is not difficult to remember that the least well paid of these pontificators make at least six times more each year than the average American family. The truth is that there is not a hell of a lot of tolerance or empathy among the leading figures of national journalism for outsiders, losers, nonconformists, or seriously provocative political figures or causes.

The thinking done by today's journalists is thus unlikely to err on the side of originality. There is, in fact, a considerable amount of intellectual insecurity in the press room. Reporters are often reluctant to examine substantive issues. If they do, they instinctively embrace the conventional wisdom. But they really prefer reporting the horse-race aspects of politics to dealing with candidates' positions. If forced to deal with issues, they will quote experts.

The discipline that journalists have been most diffident about is economics. Their ignorance of economics is so great that even one of the more intelligent TV reporters, Ted Koppel, devoted only six out of 1,850 of his shows to the deficit during the eighties when it was growing by $1.6 trillion.

But even when reporters understand an issue, they often look in the wrong place; that is, they look for scandalous illegality when they should be looking into why government doesn't work. What's wrong with government today seldom has much to do with law-breaking, but lies instead in the cultures of the bureaucracy, Congress, the White House, and the judiciary—that is, in the customs and rituals and pressures that govern conduct in these institutions. The average reporter is remarkably ignorant of these cultures.

Access to grind

One culture that the press has paid more attention to in recent years, but which still remains woefully under-covered, is that of lobbyists. The popular conception of a lobbyist is someone who passes money under the table, arranges for clandestine midnight assignations, or holds the threat of blackmail not very high over an official's head. In fact, much of the activity that falls within the broad definition of lobbying is not evil or even underhanded. For example, the simplest and most obvious of lobbying techniques is personal friendship.

Consider Philip Morris, which shrewdly hires lobbyists from the hometowns of congressmen. The Philip Morris lobbyist in Sioux Falls, South Dakota, happens to be a longtime friend of South Dakota Senator Thomas Daschle, who, as a member of the Senate Finance Committee, could vote against taxes on tobacco.

Lobbying friendships can also stem from mutual membership in Washington clubs like Burning Tree (golf) or the Metropolitan (lunch). Burning Tree forbids lobbying on its premises, but the friendships formed there have been central to many a lobbyist's success. Charls (yes, that is how he spells it) Walker, one of the most successful corporate lobbyists of the seventies and eighties, plays a lot of golf at Burning Tree. If you are a former congressman, belonging to the club of present and former Members gives you an actual physical advantage in the access race: The floor of the House and Senate and legislators' private dining rooms are open to former Members and no other lobbyists.

Why is access so vital? Mostly because it ensures survival. And that is what almost everyone in government is primarily concerned with, whether he works on Capitol Hill or in the bureaucracy. He wants to remain here or in what the city symbolizes —some form of public power. So, from the day he arrives in Washington he is busy building networks of people who will ensure his survival in power. The smart lobbyist knows he must build networks not only for himself but for those officials he tries to influence. Every time the lobbyist meets an official whose help he needs, he tries to let him know—in the most subtle ways possible—that he can be an important part of that official's survival network.

Most of the best lobbyists are former high government officials—ex-congressmen, ex-White House staff members, ex-Cabinet officers, and ex-assistant secretaries. They usually entered public service with no thought of later turning it to their own advantage, and most at first probably planned to return home after their government service ended. But when actually faced with the prospect of going back, they discover that they now think of Washington as home. Their friends are here; their children are in local schools; they own houses in the area. Above all, they are hooked on the sense of excitement, of being at the center of events. They want to stay in that world, but have only one really marketable skill that can allow them to remain—their knowledge of government. So they become lobbyists. Their friends who are still in

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government realize that the same thing may eventually happen to them, and they take care to be considerate when the lobbyists come calling.

Although it is a by-product of the survival instinct, this empathy is genuine. It tightens and reinforces the bonds of everyone's network so that, as Nicholas Lemann observed in this magazine, "although Washington is supposed to be a city where power is carefully balanced between groups with contradictory interests, in fact it's a place with a strong sense of shared enterprise, a place where every person you deal with is someone who is either helping you survive now or might conceivably later on."

Access and friendship are also effective because government officials are basically decent people who want to be nice and to be liked. Faced with a living, breathing fellow human being who wants something very much, and with perhaps only an abstract argument on the other side, the natural reaction is to be obliging.

Of course, the occasional favor doesn't hurt, either. While most are innocent enough—say, taking someone to lunch—others are more insidious. Common examples of not-so-innocent favors include free trips to hunting lodges and conventions in places like Honolulu. During the eighties, for example, Senator Robert Dole paid the equivalent of only one first-class airfare each time he used chartered corporate jets belonging to General Mills, Warner-Lambert, and Metropolitan Life. There may have been no quid pro quo but Dole did appear to repay U.S. Tobacco Corporation for the use of its Gulfstream jet by supporting the tobacco subsidy program and opposing higher taxes on tobacco products.

There is another way of obtaining gratitude. Tommy Boggs, a Washington lawyer—who has lobbied on behalf of such clients as Chrysler, General Motors, and BCCI and who, until recently, employed the new Commerce secretary, Ron Brown—did some free lobbying for the Carter administration on the Panama Canal treaty and SALT II. Such activity, needless to say, created a receptive climate for Boggs when his paying clients needed help at the White House. "I work with him all the time," said Anne Wexler when she was an assistant to President Carter. "If he comes in on behalf of a client, it's my responsibility to put him [in touch] with someone he needs." (Wexler herself later became a lobbyist.)

Inert masses

When people like Anne Wexler put their clients in touch with the "right" person, quite often that someone turns out not to be a high profile secretary of this or that but a civil servant. The largest part of the permanent government, the bureaucracy, has about 3 million federal civilian employees. Six times that number are funded by taxpayers as employees of state, county, and municipal governments or as members of the military.

Some bureaucrats, of course, do essential work. But there is an equal number whose contribution to the public interest is less clear. Consider, for example, the 5,000 personnel managers and 1,500 public information and public relations specialists who work for the Pentagon or employees with such titles (all of them real) as Planning Analyst, Schemes Routing Specialist, Manager of Creative Services, Social Priorities Specialists, Suggestions Awards Administrator, Fringe Benefit Specialist, and Confidential Assistant to the Confidential Assistant.

But even if these people are less than essential, they have little need to fear for their jobs. About the only way a civil servant can lose his job is through a budget cut that affects his program. Therefore, since his survival depends on avoiding such cuts, the most important part of his job is to hide unhappy truths about his agency's performance from potential troublemakers such as the Office of Management and Budget and Congress. Justifying and protecting the agency's budget (as opposed to fulfilling the mission of the agency) soon becomes top priority. And that, of course, affects the way an agency does the job it was created to do. One year, the Internal Revenue Service (IRS) began to single out middle-income taxpayers, who historically have the best record of paying their taxes honestly, for a disproportionately large share of audits. Why? Congress had granted the IRS more auditors on the condition that they be used to increase the number of audits. The IRS chose to perform middle-income audits because such audits are quicker to do than, say, a full-dress study of Mobil Oil.

One of the most notorious results of the fear of budget cuts is the end-of-the-year spending spree. As the midnight hour of the last day of September approaches, each agency desperately tries to use up all its appropriated funds for the year so it won't appear to have been overbudgeted. Agencies have become so sophisticated in budget building techniques that it's not uncommon for bureaucrats to underestimate their funding needs when creating the budgets. They do so, however, only for popular programs which require fixed payments to qualified recipients. If the program runs short of money during the fiscal year, Congress must pass what is called a supplemental appropriation to take care of the shortfall, or face a lot of angry constituents.

A variation of this ploy is so clever that it often works even when the OMB recognizes it. I call it the Firemen First Principle. The basic idea is that when

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faced with a budget cut, the bureaucrat translates it into bad news for members of Congress who are powerful enough to restore the amount eliminated. In other words, he chops where it will hurt constituents the most, not the least. Amtrak provided one example on how to play the game. Once, when it was threatened with a budget cut, it immediately announced that it would have to stop the following routes:

➤San Francisco-Bakersfield, running through Stockton, the hometown of the chairman of the House Appropriations Transportation Subcommittee;

➤St. Louis-Laredo, running through Little Rock, Arkansas, the hometown of the chairman of the Senate Appropriations Committee; and

➤Chicago-Seattle, running through the hometowns of the Senate majority leader and of the chairman of the Senate Commerce Committee.

Memoranda and meetings are where the survival and make-believe principles merge. Bureaucrats write memoranda both because they appear to be busy when they are writing and because the memos, once written, immediately become proof that they were busy. They attend meetings for the same reason. Indeed, most bureaucrats make a big production of rushing off to meetings; meaningful action is seldom taken but the appearance of action is satisfied by the fact that the meeting was held.

Naturally, the most favored meetings involve travel. Here's an example from the travel record of the District of Columbia's Department of Human Resources and Education for one fiscal year. The Department of Human Resources sent 15 employees to San Francisco for the annual meeting of the American Public Health Association and nine employees to Honolulu to attend a convention of the American Psychiatric Association. It also sent one administrator to Aspen, Colorado, for 39 days to attend a session entitled "Effective Strategies for Change." But his record was eclipsed by another official, the administrator for the Mental Health Administration, who managed to stay on the road for 51 days.

The bureaucrat's yearning to see the world is so powerful that even officials of agencies with exclusively domestic responsibilities manage to find conferences and meetings to attend abroad at taxpayers' expense. Thus, Daniel Oliver of the Federal Trade Commission managed to spend 95 days abroad in the period 1986–88, visiting such cities as Nassau, Geneva, Berlin, Tokyo, and that hotbed of anti-trust activity, Acapulco.

Grade expectations

What would happen if we called the bureaucrat's bluff and cut his budget? Unless he thinks we know about the real fat, about those trips to Acapulco, he may—to preserve his credibility—actually fire essential employees. We could end up with a government run by planning analysts and friends of senators.

To cut fat and not muscle out of the federal budget, four interrelated inflations need to be looked at: inflated pay, inflated job descriptions, inflated grades, and inflated slots.

The last is easiest to explain. Suppose the country were being overrun by Albanian moths. The Department of Agriculture would ask the Civil Service Commission for authority to establish positions for, say, 200 Albanian Moth Control Officers. Because of the emergency, the authority would be granted and Agriculture would have 200 new slots. Suppose the Albanian moth were then brought under control. Would the slots be abolished? Certainly not.

Then there is grade inflation, sometimes called grade creep. In one study, the Civil Service Commission—hardly the system's most severe critic—found that 150,000 workers had been overgraded, meaning their rank was higher than the level required by their actual work. In 1985, 8.2 percent of federal workers were in the upper middle class of the civil service, grades GS-12 through GS-15. Today the figure is 28.9 percent. Grade creep means too many chiefs and too few Indians, too many supervisors and too few people to do the work.

Related to grade inflation is payroll inflation. Although some technical and professional employees are underpaid—how can we ever adequately compensate the air traffic controller who skillfully handles nerve-racking rush hours at New York's Kennedy airport?—many civil servants are paid too much for the jobs they do. In 1992, the average civil servant earned $6,000 more than the average American. GS-15s, many of whom have responsibilities comparable to those of supermarket managers, make as much as $86,589 per year, and they are only at the top of the middle grades. Above them are the cream of the career bureaucrats, the members of the Senior Executive Service, whose salaries range from $92,900 to $115,700.

If government jobs paid as poorly as bureaucrats say they do, wouldn't there be a shortage of applicants and wouldn't bureaucrats be resigning in droves to accept better-paying jobs in private industry? Neither, of course, is happening. In Washington, an average of 300,000 people a year seek government jobs. There are few positions to fill, however. Only 1 percent of those applicants ever find an administrative job—and I mean any administrative job.

Behind the inflated grades and pay lies the fourth kind of inflation: the inflated job description, the document by which the civil service system deter-

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mines rank and salary. In even the smallest bureaucratic unit you will find at least one person skilled in writing descriptions, who can turn typists into "word processors" and elevator operators into "vertical vehicle controllers." Those ten-dollar words produce thousand-dollar raises.

Reducing this inflation is not easy. Government employees can be fired by a process called RIF (reduction in force) if their agency's budget has been cut. But a RIF endangers the government's efficiency because employees are retained or dismissed on the basis of seniority, not ability. The idiotic result of this policy was illustrated in 1991 when Cathy Nelson, who had just been named Minnesota's Teacher of the Year, was laid off because of lack of seniority. The Reagan administration struck a demoralizing blow to the morale of the best civil servants when it used RIF to dismiss several thousand young workers without regard to how capable they were, while retaining senior employees' services without regard to how incompetent they were. But the administration had no choice of method of firing because over the years civil servants have managed to get regulations passed and win court rulings that make it next to impossible to fire them any other way. As one observed, "We're all like headless nails down here—once you get us in, you can't get us out."

The difficulty of removing a bureaucrat is illustrated by the case of Clarence Ferguson, an employee of the National Marine Fisheries Service in St. Petersburg, Florida. Ferguson, according to the *St. Petersburg Times*, drank a pint of gin a day. During the years 1980–83, he missed 389 days of work. Finally, he was fired. Now a federal judge has given him the right to get his job back and has awarded him $150,000 back pay. The judge reasoned that all federal agencies should make reasonable accommodation for their "handicapped" workers, including alcohol and drug addicts.

An alcoholic who misses 389 days of work deserves our sympathy and help in overcoming his addiction, but he does not deserve a government job. The only standard that should govern the retention of employees is performance.

One high-level bureaucrat claims that showing cause for firing, as the law requires, can take up to 50 percent of the bureaucrat's working time for a period that may run from six to eighteen months. The executive must keep a diary of the employee's indiscretions (tardiness, mistakes, goofing off, flubbed assignments) before filing a complaint. Protected by a maze of regulations and limitations and often defended by lawyers from government employees' unions, a civil servant threatened with firing can drag a hearing out for months or even years.

The result is a bureaucracy that is overstaffed with unproductive employees, employees who know that the government's rate of discharge for inefficiency is only one seventh of 1 percent.

What would happen if there were dramatic reductions in the number of government employees—cutting it, say, in half? There is no conclusive evidence on this point, but scattered returns are suggestive. Have you noticed any difference in the service you get from Washington bureaucrats during the last two weeks of December? Probably not, but did you know that in recent years absenteeism among Washington federal employees during that time has run as high as 60 percent?

The greatest obstacle to bureaucratic reform is that most people think it is better to have a system based on merit hiring than on political patronage. But the fact is that getting a government job has only the most modest relation to merit. Veterans get five free points added to their civil service exam score; disabled veterans get an extra ten. For nonveterans the trick is to know someone inside the agency. People already in the system are the first to know about a job opening, and knowing both the applicant and the job, they can tailor the job description to fit the person they want to hire. Insiders call it "the buddy system."

Even at the height of Watergate, Gordon Freeman, formerly of the House Manpower and Civil Service Subcommittee, contended that the real saboteurs of the civil service concept are civil servants themselves. "Sure, some politicians get jobs for their friends," he said, "but you could put all the Nixon-referred people on the *Sequoia* [a small yacht used by Nixon] and it would still float. But if you put all the people involved in the buddy system on the carrier *Enterprise*, it would sink."

A decade later, in 1982, a similar conclusion was reached in a study conducted by the Merit System Protection Board which found that the most common form of political abuse was the buddy system. And, another decade later, in 1991, a former director of the Office of Personnel Management (OPM) wrote: "Unfortunately the old merit examination for government is dead. What replaced the merit system? The buddy system. With no examination—or what amounted to the same thing, the widely used credentials exams which do not differentiate very well—why not pick friends or relatives?" The result, the former director says, is that more than "90 percent of the mid-to-upper level positions are filled by one employee requesting another by name." The merit system is thus one of Washington's purest forms of make-believe.

As a result of these practices and the indifference of political leaders, the civil service underwent a dramatic decline in quality during the seventies and

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eighties. Pat Ingraham, a professor of government who worked for the commission, said: "I've talked with hundreds of line managers and administrators from practically every federal agency. And what I hear is the quality of new hires is just getting worse and worse."

A major reason for this decline was the hostility to government of the Nixon, Ford, Reagan, and Bush administrations and the neglect of recruiting for the civil service that was the natural result of their attitude. Donald Devine, Reagan's director of OPM, halted all recruiting by his agency. Terry Cutler, one of Devine's assistants, wrote in an op-ed piece for *The Wall Street Journal*:

> The government does not need top graduates, administrative offices staffed with MBAs from Wharton, or policy shops full of the best and brightest whatevers. Government's goal should be not employee excellence but employee sufficiency.

With sights set so low, it's little wonder that the administrations have left us with a lot of government employees who are insufficient. If we are going to revitalize the government we must hire and keep people who are both talented and committed.

Federal reserve bored

The key to democratic politics is accountability. If you don't deliver the goods, the voters can throw you out. Remember that when the Postal Service was political it worked. We got our mail promptly. It was delivered twice a day, packages arrived intact, and a stamp cost three cents. Today it costs 10 times as much, but the service has gotten so bad that Federal Express has become rich filling the vacuum.

This pattern of declining service and rising prices did not keep the Postal Service from awarding nearly $20 million in bonuses to its top executives between 1988 and 1990, when the Postal Service actually lost more than $1.4 billion. The rigorous standards used in evaluating the performance of these executives is suggested by the fact that, of all those who could have gotten bonuses, 97 percent received them. And during 1989, while they were eliminating Sunday collections at thousands of mailboxes, postal officials spent more than $6 million on conferences for themselves in such places as Scottsdale, Arizona; Naples, Florida; Marina del Rey, California; and Maui, Hawaii. At Scottsdale, $13,000 was spent on three pre-dinner drinking parties and $99 a person for just one dinner.

The reason the Post Office stopped functioning efficiently was that it became nonpolitical. When it worked, congressmen knew that if the postmasters they appointed didn't deliver the mail, the congressmen would be blamed by the voters. Now the congressmen can say that it's out of their hands. Congress has surrendered vast powers to independent federal agencies over which it and the president have little real authority. Bureaucrats in such agencies feel beyond public control. Even when Congress or the president gives them an order, they find ways to subvert it.

The Library of Congress recently studied federal agencies' compliance with the Sunshine Act of 1976, which was supposed to open government to the public. The study found that of a group of 1,003 government meetings listed in the Federal Register, 627 were either partially or completely closed to the public. One closed meeting was held by the Federal Reserve Board to consider the design of its furniture; it was closed on the grounds that "matters of a sensitive financial nature were being considered by the Board."

The military is a master of this kind of subversion. When the navy was ordered to conserve fuel during the energy crisis of the early seventies, it reported that it had reduced its ships sailing time by 20 percent. What it actually did was redefine sailing time to exclude a ship's journey from the port to the fleet at sea.

What is this if not make-believe? Laws are passed, orders are given, compliance seems to occur, but nothing changes. Bureaucrats don't like real change, only the appearance of change. That is why they are so fond of reorganization. Reorganization gives them something to do—redrawing charts, knocking down office walls—but nothing outside the agency, such as poverty or hunger or disease, is affected in the slightest. What does happen is that new jobs are created, almost always with higher grade classifications, which of course means higher salaries for the reorganizers.

The reason bureaucrats like internal reorganization better than external action is easy to understand. Suppose you work in an antipoverty agency and you do your job so well that poverty is eradicated. Or suppose you work in the Department of Energy and the energy problem disappears. What will happen to you? The bureaucrat can figure that out. If he takes real action, if he's truly effective, he'll be out of work—he won't survive. If, on the other hand, his action is make-believe, poverty will not disappear, the energy problem will not be solved, and his job will be safe—he will survive. Now you understand the fundamental Washington equation:

Make-believe = Survival

□

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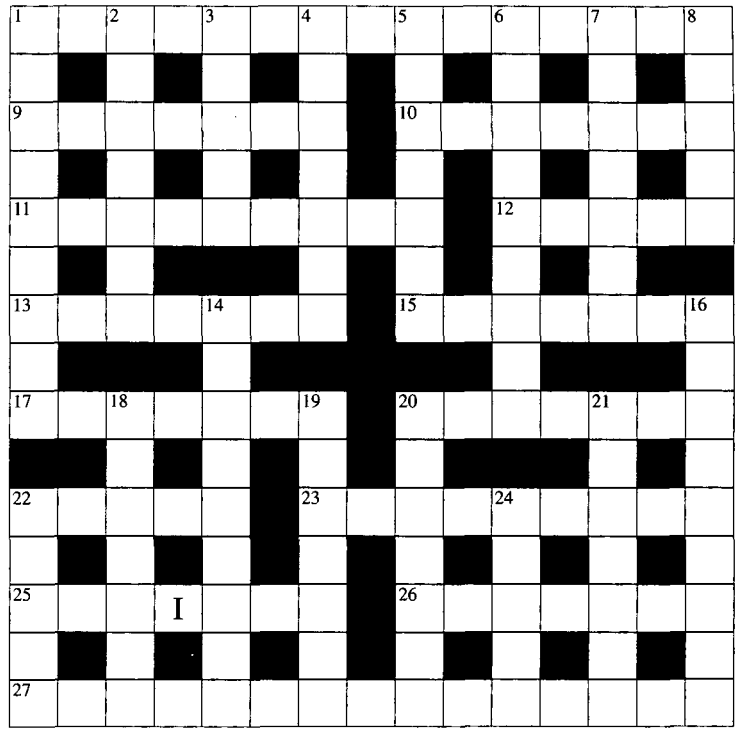
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g. USA, are treated as one word.



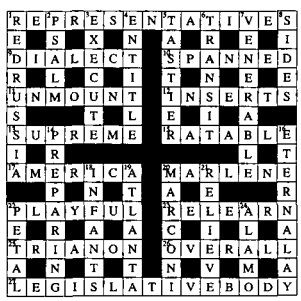
ACROSS

1. Agency to assert leave before some people before tea. (5, 10)
9. Instrument bringing back article account company. (7)
10. Wore down dead bar assembly. (7)
11. Lobbyist managing ornate sex. (2-7)
12. Post my lie indiscriminately. (5)
13. Doctor, with train and Ike coming back in, interfered. (7)
15. What met crazy saint. (7)
17. Perceived hot tea? (7)
20. Arab ran case improperly. (7)
22. Children's story about man going before former African leader? (5)
23. Lucky to have fish in specialty. (9)
25. Add spice to 54 in small spaces. (7)
26. Condensed fine rib nicely. (2, 5)
27. Leading makes neat glory neater. (8, 7)

DOWN

1. Representative distorting peon's mask. . . . (9)
2. . . . put together same sad story. (7)
3. Typical Welshman takes in one spa. (5)
4. Made law a decent discipline. (7)
5. Puzzle for ragman travelling. (7)
6. Cooked her treats for excellent reputation. (5-4)
7. Use to top off the wind blowing. (3, 4)
8. Underwear for a male senator? (5)
14. Scott hero developing oval chin before end of year. (9)
16. Flew round confusion inspiring awe. (9)
18. Travel permit is item with two counterparts. (7)
19. Agency puts iron in compact. (7)
20. Squeal about scrap arrangement in process. (7)
21. Much less reliable extremes in announcer. (7)
22. Animal targeted in anti-pornography enactment. (5)
24. Metropolitan education achievement in vessel. (5)

Answers to last month's puzzle:



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Everyone's Critic

Mencken a racist? He could barely stand anybody

by Tom Wicker

My Life as an Author and Editor.
H.L. Mencken, edited by Jonathan Yardley.
Knopf, $27.50.

H.L. Mencken's vivid memoir recalls to me the best piece of advice I ever received. I had made, in my ignorant youth, a pretentious speech about literature and art, only to be confronted afterwards by one of my home state's literary and political lights, Jonathan Daniels.

"Young man," he said to me, in words that flashed and still burn, "never be a solemn ass."

That's one sin Mencken never committed. He was a dissenter—bellicose, unafraid, self-confident, irreverent, independent, and irascible. But, he asserts, he had no capacity for "moral indignation" and "a complete lack of messianic passion." He harbored no illusion that "human nature could be changed by passing statutes and preaching gospels." So he could not share Ezra Pound's or anyone's "yearning to improve the world." Mencken was quintessentially a critic, not a reformer, a no-sayer rather than a yes-sayer.

As a ferocious social critic and literary commentator, Mencken in his time—roughly the first third of this century—raised lots of hackles and evoked plenty of blistering responses. In this memoir, Mencken writes that it was his "fixed habit . . . to suffer without protest anything that was printed about me, however inaccurate and unfair."

This was in part tactical, because Mencken, a shrewd self-promoter, realized that attacks on him only expanded his reputation as a controversialist. For example, in writing his celebrated assault on Southern manners and mores, "The Sahara of the Bozart," he confesses, his "actual object was to outrage the professional Southerners" whom he considered "the bell-wether and archetype of all the worst varieties of American imbecile." As Mencken hoped, the article did not fail to provoke "their violent counterattack."

Tom Wicker is a retired columnist for The New York Times.

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But H.L. Mencken was far more than a gadfly or a publicist. He so believed in free speech as a principle, he writes, that he was "seldom tempted to deny it to the other fellow." Having had his say, he understood that others had, and he was willing to grant, an equal right of reply. And he knew, as too few realize, that free speech "is worth nothing unless it includes a full franchise to be foolish and even to be malicious."

That is the right answer to those Americans who, today as in Mencken's time, seek to link "free speech" to "responsibility"—as if the former should not exist without the latter, that free speech should only belong to those who espouse generally accepted ideas. Mencken tended, with much reason, to regard a generally accepted idea as likely to be "moronic."

"I was," he wrote in recollecting his blunt, energetic, and often unpopular writings, "in favor of the true long before I was in favor of either the good or the beautiful."

He also favored the humorous and the lusty, in life as on the printed page. His recitals of various rowdy episodes—for example, a drinking bout with Ethel Barrymore, one of "the champion lady boozers of Broadway," enliven the memoir. He seldom uses a dull word where a witticism or a sardonic jibe will do—Ben Hecht and Charles MacArthur "disappeared into the maw of the movies, where they made a great deal of money but produced nothing worth remembering." And Mencken has total recall for a good story—say, James Huneker's account of Lillian Russell's farewell to four lovers on the day of her third marriage.

His tart judgments probably are one reason Mencken stashed this lengthy memoir in a crate in the Enoch Pratt Free Library in Baltimore, not to be opened until 35 years after his death (a deadline which arrived in 1991). His dictation of it had ended in 1948, when he suffered a stroke that effectively stopped him from writing during the last seven years of his life. He had then completed the work only through about 1923 (with occasional glances ahead to later years), so the decade of his editorship of the *The American Mercury* is largely and sadly unrecalled.

Sherman and Germans

Though Jonathan Yardley of *The Washington Post* edited the text down to less than half its original length, many conclusions remain that are likely to be considered blasphemous by what Mencken would call the "literary pecksniffs" of today—particularly those who practice "the imbecility of (the college professor's) craft."

Ulysses, for example, Mencken found "deliberately mystifying and mainly puerile"; he suspected that Joyce had concocted it as a "vengeful hoax" in response to the years when his more conventional work went unnoticed. Ezra Pound—who recommended both Joyce and T.S. Eliot to Mencken and George Jean Nathan when they edited the magazine *Smart Set*—was "immensely talented but with an unmistakable flavor of the mountebank." In Pound's later career "a competent poet was spoiled to make a tinhorn politician"

Ernest Hemingway "was . . . an excessively vain fellow—challenging, bellicose, and not infrequently absurd. His longer stories always struck me as melodramatic and obvious." *Tender Buttons*, by Hemingway's sometime mentor, Gertrude Stein, impressed Mencken only as "unmitigated balderdash."

The "emenintissimos" of the once-famed Round Table at the Algonquin Hotel in New York were regarded by Mencken and Nathan "all save a few as hollow frauds." Hamlin Garland, an "old quack," tried to "stab [Theodore] Dreiser in the back" and William Dean Howells was a "notorious coward" who failed to support Dreiser and *The "Genius"* when it was banned. Dorothy Thompson, the columnist-wife of Sinclair Lewis, was a "vain, shallow and excessively cocksure woman, consumed during the early days of their marriage by an ill-conceived jealousy of his fame . . . a tinpot messiah with an inflamed egoism that was wholly unameliorated by humor." The marriage "marked the end of (Lewis's) great days," and he wrote "nothing of the first chop thereafter."

Yardley's necessary cutting obscures how much of this sort of thing may have enlivened Mencken's reviews as they appeared in *Smart Set*, *The American Mercury*, the *Sunpapers* and elsewhere. But a snippet or two remain to suggest the flavor of the original stuff. Reviewing *A Son of the Middle Border*, for example, Mencken observed that "in the world of beauty, (Hamlin Garland) is as forlorn a stranger as a Methodist deacon at a (beer party)." He helped along to obscurity the largely forgotten Robert Cortes Holliday by describing the author's books as "trivial and uninspired . . . a standing refutation of the notion that Americans have a sense of humor."

Beneath the ready invective, the savage wit and the incessant intellectual jousting, H.L. Mencken was a deadly serious—if never pompous—man, who fought and survived two of the most determined efforts to suppress free speech in America. Those he contemptuously called "the Comstocks" were still trying, in his time, to eliminate "vice" and impure thoughts from American literature—and actually succeeded for a while in suppressing Dreiser's novel *The "Genius"*. Simultaneously, an unparalleled growth of superpatriotism mushroomed out of World War I.

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Mencken paid the price for his outspoken pro-German views by the temporary loss of his column in the Baltimore *Sunpapers*. He also here recalls with relish how the "German spy scare" was turned against him by Stuart P. Sherman in *The Nation*—"violent stuff," Mencken notes, that he characteristically took "with equanimity." He was "well aware that, in the long run, it would get me a great many more friends than enemies."

Sherman later tried to make amends for this attack and for an earlier assault, regarded by Mencken as "cowardly and ignorant," on Dreiser and *The "Genius"*. But though Mencken boasts of his supposed inability to hold a grudge, he never yielded to "the yokel" Sherman's "frequent and pathetic" overtures.

If such blunt language falls with an unfamiliar ring on today's ears, it's because few journalists or other commentators—to their shame—are now as outspoken and fearless as Mencken was, nor do they command the language as he did, nor yet have his disdain for substantial reputations.

Henry Holt, the publisher, for instance, was "an extraordinarily opinioned fellow, and most of his opinions . . . were rubbish;" the "public posturing" of the poet Amy Lowell "repelled" Mencken; Burton Rascoe was "always a cuckoo;" and Margaret Sanger was a mere "birth-control propagandist" whose signature would seriously weaken a letter of protest against the suppression of *The "Genius"*.

Mencken was angered when Sinclair Lewis accepted the Nobel Prize for 1930, because he believed that writers should "resolutely refuse all prizes, college degrees, and other such empty honors, leaving them to the muckers who pulled the wires for them." He was further outraged in 1935 when Lewis "accepted membership in the preposterous National Institute of Arts and Letters and so put himself on all fours with" a long list of "emenintissimos" that Mencken scorned—including Helen Keller and Lewis Mumford.

Writer's knock

Mencken had his blind spots, and many of them. Contrary to Yardley's introduction, Mencken's low opinion of most women (other than beauties) seems to me unmistakable. He was often bigoted about Jews and gays. He so far departed from his usual crusty integrity that he was willing, on occasion, to help an author by editing his book and touting it to a publisher—then reviewing the book favorably. As for literary judgements not necessarily sustained by time, he viewed Fitzgerald's *Tender Is The Night* as "poor stuff indeed." In *Smart Set*, he actually wrote that Dreiser's *Jennie Gerhardt* was "the best American novel I have ever read"—adducing only as an afterthought "the lonesome but Himalayan exception of *Huckleberry Finn*."

But Mencken's "chief concern" as a critic was unvarying—not the classics beloved by academe but "the literature that was in being, to wit, the unrolling literature of a far from civilized, and even not altogether literate democracy." Thus, he was an early and ardent champion of Mark Twain, an articulate defender of Dreiser (whom he considered "a great artist" if a badly flawed writer and man), and one of the first American exponents of Joseph Conrad—at the time "no more than a name in the United States."

As a magazine editor, Mencken recognized and printed the works of many good writers before they became luminaries—Eugene O'Neill, Sherwood Anderson, F. Scott Fitzgerald, Willa Cather (though Mencken laments here that her novel *One of Ours* was "so bad . . . that it won . . . the Pulitzer Prize of 1922.") In his classic, *The American Language* and its supplements, he made a lasting contribution, not just to American literature but to American civilization.

Mencken once succinctly stated, in a brochure for would-be contributors to *Smart Set*, what he and Nathan did not wish to publish:

> Both of us are against the sentimental, the obvious, the trite, the maudlin. Both of us are opposed to all such ideas as come from the mob, and are polluted by its stupidity: Puritanism, Prohibition, comstockery, evangelical Christianity, tin-pot patriotism, the whole sham of democracy. . . . Both of us . . . regard Beethoven and Brahms as far greater men than Wilson and Harding.

Substitute Bush and Clinton for Wilson and Harding and that would do rather well for editors today.

As a social rather than a literary observer, Mencken believed from the start "that the distinguishing mark of the normal Americano was his essentially moral view of the world, his tendency to color all values with concepts of rightness and wrongness, his inability to throw off the Puritan obsession with sin." He would hardly be surprised to know that, nearly 40 years after his death, the mark still distinguishes.

But Mencken was "full of lust to function" and recalls that "before I was 25 it was already plain that my functioning would take the form of a sharp and more or less truculent dissent from the *mores* of my country." As for "the common run of Americanos," he states candidly and with his usual intellectual arrogance, "I disdained them, not as members of a different species, but as inferior members of my own species."

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This memoir, like Mencken's recently published diaries, abounds with evidence of his low esteem for Jews (though he worked closely with, admired and was admired by Nathan and Alfred Knopf, among others). Editor Yardley scrupulously left all of this in the text—"no whitewash," he writes in a Menckenian passage of his generally admiring introduction, "is intended or desired." He goes on to point out that Mencken "lived in his time and not in ours," and that in Mencken's time "racial and ethnic slurs were commonplace among even educated Americans."

No doubt they were. Still, this explanation seems insufficient to me. I suggest, rather, that H.L. Mencken had a virulent contempt for those he considered lesser mortals generally (he expected a pulp magazine he founded to be "a hit with the morons," though it was written by "hacks"). He included in this group Jews (as, on the evidence of this memoir, he seems to have included "blackamoors" and "homos") and was able to overcome or ignore these clear prejudices only when persons like Knopf and Nathan proved by their competence that they were worth his not easily won approval.

"Competence, indeed, was my chief admiration then as now," he states flatly and his memoir is a massive testament to that obsession. No competent person (by Mencken's rigorous standard), whether Jew or Gentile, is here reviled. It probably never occurred to him that he or anyone was an anti-Semite; the term itself would have smacked to him of the "moral indignation" he steadfastly deplored.

In the spirit of the free speech that Mencken exalted, as I do, others are entitled to different conclusions, and no doubt will reach them. However that may be, *My Life as Author and Editor* is a memorable portrait of a time, several places, and many people—most particularly the brilliant writer, backyard bricklayer, consoling friend, ardent defender, lusty battler, frequent roisterer, perceptive editor, shrewd observer, and cranky soul that was H.L. Mencken. □

Schmoozing and Snoozing

Lobbying isn't just sleazy work—it's tedious too

by Bill Gifford

The Lobbyists.
Jeffrey Birnbaum. *Times, $25.*

In the 1920s, Arkansas Senator Thaddeus Caraway launched an inquiry into the then-nascent profession of lobbying. Of the 400 or so lobby groups active in Washington, the Caraway committee concluded that 90 percent were fakes, set up for the primary purpose of bilking clients.

Today's lobbyists have branched out. Some may bilk their own clients, like their unsophisticated forebears, but most now concentrate on fleecing taxpayers (the wage-earning sort), duping Congress, and ambushing their competitors' clients. At least, that's one conclusion Jeffrey Birnbaum nudges readers toward in his closely observed study of the influence industry.

Lobbyists have come a long way since the Caraway committee pawed through the Washington phone book to find them. Today, they stoke the publicity machine. You can hardly open *The Washington Post*'s Style section or *Washingtonian* without tripping over yet another breathless profile of Bob Gray, Frank Mankiewicz, or Jack Valenti, who go through the motions of power-brokering (limos to the Hill, cellular-phoning, etc.) even though they haven't wielded real power for decades, if ever.

Birnbaum punctures the new stereotype as well as the old image of the cigar-chomping fat cat doling out cash for votes. For *The Lobbyists*, he spent the better part of two years shadowing a half-dozen of Washington's top corporate lobbyists as they shepherded their pet causes through the tumultuous 101st Congress. What emerges is a new portrait of the profession as a technocratic, unglamorous, at times humiliating business (even if most of the drinks are

Bill Gifford is an associate editor of the Washington City Paper.

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free). It's a job more like accounting or real estate than being a movie star.

Birnbaum gets at what corporate America really wants from Congress: not pork spending, but tax breaks. Or at the very least, tax hikes for someone else. But by focusing too intently on how his lobbyists get the job done, Birnbaum lets a bigger story get away, namely, the way they have monopolized the crucial debate over tax and spending priorities. This is like attempting to cover a hurricane while ignoring what it blows down.

The author clearly deserves some sort of medal for journalistic bravery simply for enduring two years with the likes of dreary Stuart Eizenstat; capital-gains preacher Charls Walker and his underling, Mark Bloomfield; Maglev railway fanatic Wayne Thevenot; good-time Bobby Juliano, champion of the three-martini-lunch; and truckers' lobbyist Tom Donohue, who devotes his working life to battling excise taxes on diesel fuel. Yawn.

Boredom was the price of his remarkable access to the luminaries of Washington's political netherworld. The dividends are his detailed accounts of the lobbyists' strategizing over weeks, months, even years. Especially good is the section on Coretech, Eizenstat's front group of universities seeking tax handouts for research and development—to benefit Coretech's corporate backers, who ought to be doing R&D with or without write-offs.

Birnbaum deserves special commendation for suffering through such events as a press conference of the Coalition Against Regressive Taxation, a gang of brewers, distillers, cigarette makers, and trucking companies all bravely fighting excise taxes in the name of Joe Six-Pack.

What's amazing is that Reps. Mervyn Dymally, Don Sundquist, and Louis Stokes of Ohio also attended that same inconsequential press conference. Why weren't they busy legislating? The lure of media attention, perhaps? Well, no. Lobbyists greatly outnumbered journalists in the room. More likely, what drew the lawmakers out of their offices was a perverse sense of loyalty.

Birnbaum documents more than one instance of congressmen displaying fealty to lobbyists over their own constituents. As Jim Wright was going down the tubes, for example, his lawyer actually lobbied a group of blue-chip lobbyists in a futile bid to keep the Speaker's job. Wright should have known better: When the first-class cabin fills with smoke, lobbyists are always the first to grab parachutes.

This is the new Co-dependent Congress. The politician-lobbyist affair shows all the danger signs described in self-help books. For one thing, the two

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groups spend an unhealthy amount of time together: workdays, evening receptions, weekend and recess junkets. When House Democrats retreat to the Greenbrier for three days, lobbyists tag along, paying $6,000 each for a weekend of jitterbugging, skeet-shooting, and "When we get back, there's a little something I'd like to talk to you about. . . ." Other extracurricular activities—"work" to the lobbyists—range from the nightly lobbyist-funded cocktails-and-hors d'oeuvres soirees to expense-account dinners (all reported on the lobbyists' "disclosure" forms, of course) to more complicated recreational pursuits. Lobbyist J.D. Williams and Rep. Beryl Anthony together founded a duck-hunting club on Maryland's Eastern Shore. It was a good choice of sport for Williams, with many duckless hours in which to talk shop and a lower level of frustration than golf. When Anthony needed cash in the late eighties, Birnbaum reports, another lobbyist gladly bought him out.

Congressmen are allowed to have fun, of course. And a majority of the importunists started as staffers on the Hill, the closest thing to grad school for lobbying. But by constantly consorting with lobbyists—and depending upon them for fundraising and for information (not to mention the occasional Jet-Ski rental)—Congress comes to view the world through their tinted contact lenses. As one Hill aide puts it to Birnbaum, "Who do these guys hang out with? Rich people. If you spend your time with millionaires, you begin to think like them."

Gucci Gucci

And who do the millionaire lobbyists think like? Their corporate clients. "One result," Birnbaum writes, "is that corporate America, once a perennial sacrificial lamb when it came to government crackdowns, has become something of a sacred cow." What this does to everyone else's tax burden, not to mention the deficit, is left unanswered.

The holy bovine was milked once, via the 1986 tax-reform bill that hiked corporate taxes $120 billion over five years. Birnbaum recounted the story of tax reform in the much more searching *Showdown at Gucci Gulch*, written with *Wall Street Journal* colleague Alan Murray. His latest effort charts the lobbyists' efforts to reopen some of the loopholes they lost then and to widen existing ones. Both books confirm that loopholes and tax giveaways are much easier to open than they are to close, at least where powerful corporate interests are involved.

Inexplicably, *The Lobbyists* all but ignores the result of this loophole—jockeying: a government that hemorrhages revenue while imposing an ever greater tax burden upon most of its citizens. William Greider describes this erosion in his slightly preachy *Who Will Tell the People*. "If Congress had done nothing since 1977 to alter the U.S. tax code . . . nine out of ten American families would be paying less," he wrote, citing a 1990 Citizens for Tax Justice study. "Yet, paradoxically, the government would be collecting more revenue each year—almost $70 billion more—if none of those tax bills had been enacted." But Congress just can't keep its mitts off the tax code; change is the only constant here, and change keeps lobbyists in business. What they sell is not access, or influence, but a chance in the great American tax lottery. The corporate client shells out a few hundred bucks an hour in hopes of securing tax breaks worth millions, even billions. If successful, the lobbyist can earn more for the company than its most productive employee. Two magical words are never uttered: "corporate responsibility."

This book's shortcomings are disappointingly obvious, given the skillful narrative and penetrating insight of *Gucci Gulch*. *The Lobbyists* is gimped by a structure that flits from capital gains to Jim Wright's woes to excise taxes to HUD. It's as though the CBS Olympic crew somehow seized control of C-Span. "Meanwhile, back at the Ways and Means drafting session. . . ."

We're left with an occasionally diverting catalogue of lobbyist tricks, which include bilking the client, bilking the other guy's client, duping Congress, and fleecing taxpayers. Birnbaum's detailed catalogue of each of these tools of the trade illustrates how lobbyists prosper no matter who presides in the White House or sits in Congress.

Taking advantage of the taxpayers isn't as easy as it was when deficits were small and the press's pork detectors disconnected. Most lobbyists have to be contented with a loophole here and a credit there. Still, a few lobbyists bravely bear the torch for a new age of regression, notably Charls Walker and his American Council for Capital Formation, who since the seventies has pursued one drastic goal: to replace most income, investment, and corporate taxation with a consumption-based VAT, lifting the tax burden from investors and businesses and nailing consumers.

Thanks to the many energetic lobbyists representing cigarettes, liquor, beer, boats, tuxedos, candy, soda pop, meat, chicken, fruit, cars, trucks, bicycles, motion pictures, concrete, manufactured housing, real-estate agents, televisions, computers, cellular phones, cheese, wine, and anything else that can be bought, sold, and consumed—all of whom would fight such a VAT to the death—it'll never happen. □

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POLITICAL BOOKNOTES

Murdoch.
William Shawcross.
Simon & Schuster, $27.50.

There is emerging a General Formula by which the quality of a media book may be calculated before reading it: the greater the pre-publication pseudo-controversy the book generates, the worse the book actually is —but never for the reasons that made the book "hot." Richard Clurman's book about Time Inc., *To the End of Time*, sucked for reasons entirely separate from the Liz Smith-inspired theory that Robert Sam Anson plagiarized the manuscript in *Esquire*. Eric Alterman's assault on the punditocracy, *Sound and Fury*, suffered not, as prominent reviewers huffed, from one-sided political bias, but from an acute allergy to any kind of media theory.

Consider, then, William Shawcross's *Murdoch*, already the subject of scorn in Tina Brown's *Vanity Fair Weekly*, once known as *The New Yorker*. In a short salvo months before the book's American debut, a writer called Shawcross a Murdoch "hagiographer" and said that the Aussie baron "has found his Boswell." Shawcross's defenders—notably John Le Carré—counterclaimed that Brown was merely avenging the book's less-than-flattering treatment of her husband, onetime Murdoch editor Harry Evans, an assumption the couple denounced, in the pages of *The New York Times* and *The Washington Post*, as "sexist."

Given such highly visible invective, the General Formula predicts that *Murdoch* is an unreadable disaster—which it is. But certainly not because of excessive toadying toward Murdoch, or because of its discussion of Evans, a bit player who comes off as a grousing idealist. No, the problem is that somehow the writer who made his reputation by trashing Henry Kissinger has turned as juicy and froth-inducing a subject as Rupert Murdoch into an arid literary equivalent of kitty litter.

Murdoch is drearily written, clumsily organized, and—like too many Simon & Schuster volumes—badly in need of genuine editing. The first chapter—the first!—ends with this cliffhanging description of Murdoch's father Keith: "He was also a generous and discerning patron of the arts." Such resume-dumping typifies Shawcross's "prose" style, as well as his ham-fisted sense of structure. Admittedly, it's difficult to capture Murdoch's simultaneous global deals in a straightforward narrative; Shawcross tries by breaking down his chronology into subheadings: "New York," "Hollywood," "London," etc. But the effect, paradoxically, is that each section ends up being both insufficient and redundant. Like too many

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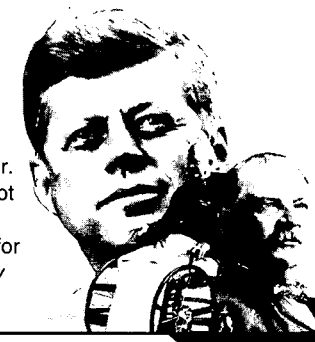

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contemporary chroniclers, Shawcross seems to have spent months trying to understand the intricacies of business deals, without realizing that all this leaves you with is a series of unreadable sections that end with "It was a fabulous victory for Murdoch" or "It was a crippling defeat for Murdoch."

The jacket copy says that "Shawcross has proved his reporting credentials again and again," but the claim is in little evidence in this book. Some of his mistakes are factual, such as when he claims that *The New York Daily News*, after Murdoch considered buying it, was sold to Joseph Allbritton; in fact, Allbritton decline to buy the paper in 1982, and in 1991 it was sold to longtime Murdoch rival Robert Maxwell. Sometimes Shawcross's errors are in judgment: he completely misses the point of a famous story in which Murdoch went to Washington in 1980 to plead for a quick, cheap and vital loan from the Export-Import Bank. President Jimmy Carter badly wanted Murdoch's *New York Post* to endorse him over primary rival Ted Kennedy, and although an 8 percent loan was approved, and the *Post* endorsed Carter, Shawcross concludes that there was no quid pro quo. But Murdoch purposely scheduled his meeting so he could announce to the bankers that he was on his way to dine with the president; this subtlety of clout eludes Shawcross altogether. Then there's just plain dim-wittedness, as when Shawcross—in an apparent attempt to provide a telling tidbit for his British and Australian readers—says that Murdoch lackey Steve Dunleavy "would sometimes spend the night drinking in bars in the fish market area of New York (the sort of place where one is apt to hear Frank Sinatra played on the juke box)." I would be shocked to find a bar anywhere in New York where you can't hear Sinatra on the juke box.

Shawcross's obtuseness on such points is clearly the result of his distance from the material. In reading *Murdoch*, one gets little sense of a writer who's engaged firsthand with his subjects, or even one who understands them completely. In the repeated incidents of massive newspaper layoffs or firing for example, Shawcross almost never quotes anyone but an editor or financial expert. Generally speaking, it's been the trade unions which have suffered for Murdoch's greed or blunders, but their plight gets scant attention here. One of the few times his narrative breaks out of its tedious recitation of fact is his account of Murdoch's establishment of Wappins, a union-busting bunker Murdoch secretly constructed in 1985 and 1986. To judge from his footnotes, however, even that drama is borrowed from other books.

—*James Ledbetter*

Deadly Secrets.
Warren Hinckle, William Turner.
Thunder's Mouth, $21.95.

Many conspiracy buffs have long searched for their own Holy Grail, a secret cabal that can be blamed for all the scandals and evils of modern America. To some right-wing extremists, it is the Trilateral Commission; to some left-wingers, it is a "secret team" directed by the military-industrial complex. Still others look to those old standbys, the Jews. But Warren Hinckle, formerly a co-editor of *Ramparts*, and William Turner, a former FBI agent, have claimed to find their own mother lode in *Deadly Secrets*. They contend that a mélange of anti-Castro Cubans, CIA operatives, Mafiosi, and fanatical anti-communists played a major role in everything from the Bay of Pigs on: the Kennedy assassinations, Watergate, the Iran-Contra scandal, and more. By the time we're done with this loosely argued book, we've been shown the purported connections between ex-CIA director George Bush, Latin American drug traffickers, and the killers of Orlando Letelier. It would seem, based on their book, that much of what has gone wrong in American life can be laid at the feet of . . . Frank Sturgis, one of the hapless Watergate burglars with a shady anti-Castro past.

As a moderate believer in conspiracy theories (I think JFK was killed as part of a Mafia plot, but I draw the line at ex-Nazis and alien space beings), I was disappointed to find that the book doesn't provide the definitive solutions its title promises. Along the way, though, tantalizing hints of a grand conspiracy are unveiled. For instance, George Bush's name was found in the telephone book of a mysterious, wealthy White Russian with CIA ties, George de Mohrenschildt, who had *befriended Lee and Marina Oswald*! Just coincidence—or something sinister?

Ultimately, the authors' argument that the "Secret War" against Castro is the Mother of All Conspiracies comes off not as a solidly reasoned case but as an exercise in flinging an assortment of names, incidents, and scandals against a wall with the hope that they'll stick. We're expected to see a clear-cut connection between all the nefarious doings, but weak arguments and sometimes dubious documentation undermine their particular conspiracy theory. At the same time, the authors provide a useful overview of some of the more colorful debacles of the last 30 years, plus an entertaining peek inside perhaps the stupidest one of all: the decades-long effort to overthrow and, occasionally, kill Castro.

The authors mix grade-B melodramatic prose with investigative assertions in telling the story of the covert attacks on Castro's Cuba and its consequences. Their breathless journalese adds spice, but it also requires the readers to remember an intricate procession of unsavory characters: "In the Bahamas on Invasion Eve, Lansky lieutenant Joe Rivers waited with a satchel stuffed with gold for the word to rush in and take charge of the dark casinos. Off the north Cuban coast two gambling pals of *Frank Sturgis* [emphasis added], Georgie Levine, and Sally Burns, along with Pennsylvania Mafia boss Russell Bufalino and henchman James Plumeri, bobbed on the seas in a syndicate-owned boat with a CIA man aboard. . . ." After more than 400 pages of such details, even the most skeptical reader is expected to crumble and say, "Yes, there is an evil anti-Castro/Mafia/CIA conspiracy to rule the world!" Unfortunately, the mere piling-on of details doesn't prove that the conspiracy exerts the powerful influence the authors claim.

As the authors tell it, the efforts to topple Castro that began just prior to the Cuban revolution of 1959 had nasty and enduring repercussions. They're on firm ground documenting the Secret War, but their arguments become more tenuous the farther they drift from well-documented anti-Castro attacks. They do a serviceable job describing the various assassina-

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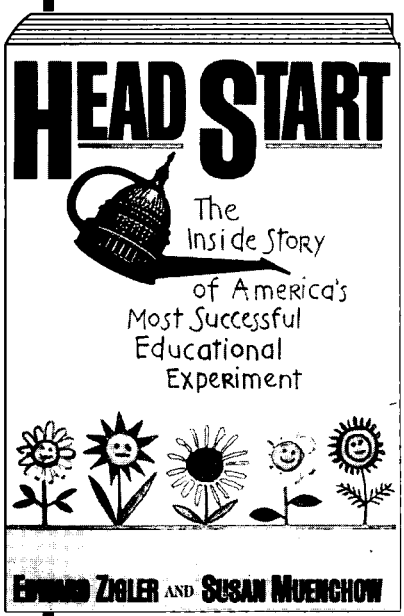
tion attempts of mobster John Rosselli, including the sending of sniper teams to Cuba, the 1961 Bay of Pigs Invasion, the CIA's funding of Operation Mongoose, anti-Castro guerillas, and all the bungled sorties against Cuba, many launched even after the Cuban Missile crisis in October 1962. In doing so, they show just how widespread and expensive these anti-Castro activities were (at least $500 million a year), how extensive press cooperation was (*Life* purchased ship-to-shore radios for commandos) and how dangerously close we came to provoking a war with Russia. All that began to change when a CIA-linked anti-Castro group tried to provoke Russia by shelling a Russian merchant ship. Kennedy responded by ordering a crackdown on Cuban exile activities, and that angered some militants enough to want to kill him, the authors say. The Mob, in turn, was outraged at Bobby Kennedy's increasing pressure on organized crime.

But when it comes to tying it all together, the book simply fails. The key chapter reads like a rejected script for Oliver Stone's *JFK*. There are quick cuts from one suspicious incident to another—why was the supposedly pro-Castro Oswald meeting with the anti-Castro Guy Bannister (played by Ed Asner)?—but there's no coherent argument linking the events. There's a strong reliance, for instance, on Jim Garrison's mix of speculation and hearsay, *On The Trail of the Assassins*, based in part on the statements of pathological liars and the clinically insane. Yes, it is curious that a Dallas lawyer thought he saw someone who looked an awful lot like Oswald meeting with Jack Ruby or that Oswald wrote down the espionage word "microdots" in his notebook. But that's a long way from documenting that Oswald was a CIA agent, let alone proving there was an active conspiracy involving the CIA, the Mafia, and anti-Castroites to kill Kennedy. There's no real attempt made by the authors even to say who planned and executed the assassination.

Similarly, their efforts to tar George Bush as connected to drug dealing and assassinations is conspiracy-mongering at its worst. Their argument goes like this: as CIA chief in the mid-seventies, Bush tried to block the prosecution of about 70 spies for assorted overseas dirty tricks; the CIA has been associated with drug dealers and murderers; and when Vice President Bush headed up President Reagan's War on Drugs and War on Terrorism, contra leaders and Manuel Noriega escaped prosecution for drug dealing. Moreover, since the seventies, some far-right terrorists trained by the CIA have killed civilians. Ergo, what was Bush *really* doing in Texas back in 1963?

These shards of fact and guesswork all raise intriguing questions, but *Deadly Secrets* falls far short of providing definitive answers. Until I see a photo of George Bush on Dealey Plaza with a gun in his hand—and you can be sure that someone is touting a fuzzy picture showing just that—I'll have to wait for a clearer, better-documented case for a one-size-fits-all conspiracy.

—*Art Levine*



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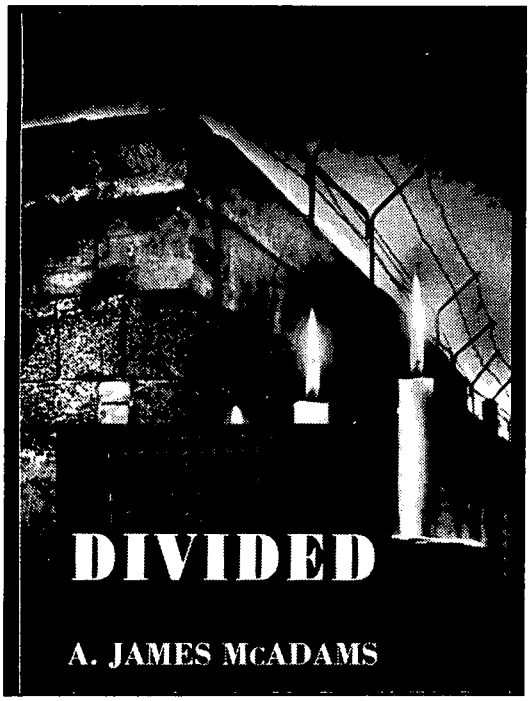

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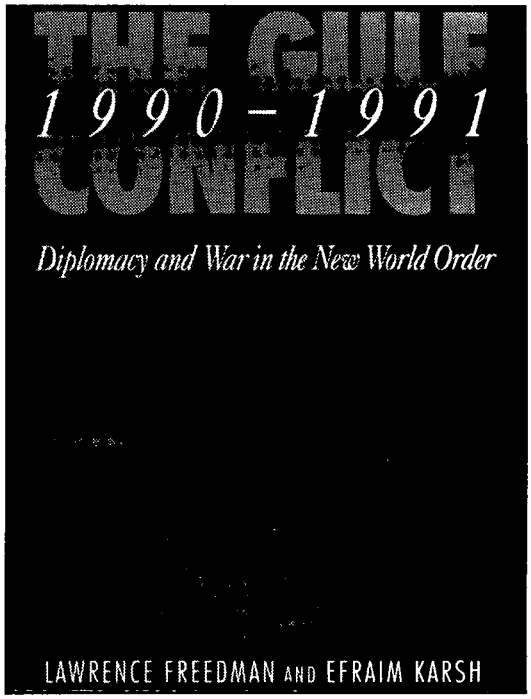

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